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CHAPTER I

Introduction

When Oklahoma was admitted to the Union on November 16, 1907, the system of education that had been established early in the history of the Oklahoma Territory was revised and many of its provisions were included in the State Constitution. Article I, Section 5, of the Constitution of the State of Oklahoma states that:

> Provisions shall be made for the establishment and maintenance of a system of public schools, which shall be open to all the children of the state and free from sectarian control; and said school shall always be conducted in English; provided that nothing herein shall preclude the teaching of other languages in said public schools; and provided, further, that this shall not be construed to prevent the establishment and maintenance of separate schools for white and colored children.[1]

Each local school district was dependent upon the property tax as a major source of revenue for the operation of schools and for school building purposes. It soon became

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[1]Oklahoma, Constitution, Art. 1, Sec. 5.

evident that inequalities in taxpaying ability existed among the counties, school districts and geographic sections of Oklahoma. In 1927 the Eleventh Legislature passed House Bill No. 241 which is commonly referred to as the "State Aid Law."[1] This law was passed to aid the weak school districts of the state in maintaining a minimum educational program. The ability of the local school districts to finance its schools was determined by the amount of revenue that could be raised from the ad valorem tax on the assessed valuation of property in the district.

Robert K. Carr noted that the earliest motive for state aid to common schools of Oklahoma was to help "weak" local districts maintain a proper level of services, but that two other motives appeared later:

> One, to hasten the reduction of the local property tax by providing municipalities with revenue from other sources, and the other to preserve local credit by providing funds with which overdue warrants and bonds might be retired.[2]

In September, 1934, the Oklahoma Constitution was amended to provide for homestead exemption.[3] The assessed valuation of each homestead was allowed a one thousand dollar exemption from the ad valorem tax. A limitation of ten mills

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[1]Oklahoma, Session Laws (1927) Chapter 91, Sec. 1.

[2]Robert K. Carr, State Control of Local Finance in Oklahoma (Norman: University of Oklahoma Press, 1937), p. 230.

[3]Oklahoma, Constitution, Art. 12A, Sec. 1. (Adopted September, 1935.)

as a maximum for school purposes was provided by Oklahoma Statutes with a 1.5 limit for the provisions of separate schools.

The 1935 Legislature provided, in House Bill 212, for the distribution of school funds on a foundation program basis.[1] Grants were made to school districts from the State in two forms, primary aid and secondary aid. Primary aid was granted to all districts to provide a minimum program of education as fixed by the State Board of Education, and secondary aid was granted only to those districts that could not support or maintain "the minimum school for the minimum term," with a local 10 mill levy plus all other revenue, including the state primary aid.

The foundation program that is currently used for the distribution of state funds dates back to House Bill 212. It was modified in 1937 by House Bill No. 6 to include a Minimum Program and a Minimum Program Income and provisions for teachers' salaries, maintenance and transportation.[2] This program was designed when the economy of Oklahoma was largely agricultural and the nature of the population was rural. There were nearly 4800 school districts at that time and the State was in the process of recovering from an economic depression.

In February, 1940, the Governor of Oklahoma and the

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[1]Oklahoma, Session Laws (1935), Chapter 34, Art. 5, Sec. 4.

[2]Oklahoma, Session Laws (1937), Chapter 72, Art. 3, Sec. 4.

President of the Oklahoma Education Association appointed a committee to study the problem of financing the common schools of Oklahoma. Doctor John F. Bender of the University of Oklahoma served as chairman of the committee and a report was published under the title, Problems in Financing the Common Schools of Oklahoma. Dr. Paul R. Mort and Dr. John K. Norton of Columbia University were asked to read the report of the committee and to make suggestions.[1] This committee reported on the status of the program of financing public schools of Oklahoma in 1940 and made recommendations.

Dr. Paul Mort's comments concerning the 1940 report included:

> There is always danger that a state might rely too heavily on non-property taxes and go too far in relieving the property tax. A study of Oklahoma carried out in the spring of 1940 gave strong indications that this has happened there and that needed increased funds for education should come, at least in part from the property tax either by lifting tax limitations locally, by increasing rates of property assessments, or by increasing state aid to be drawn in part from a state-wide property tax.[2]

Since 1940, modifications have been made in the program of financing the common schools of Oklahoma, but the basic foundation program plan has remained. Dr. John W. Payne completed a dissertation in 1964 entitled, An Evaluation of the State Program of Financing the Public Elementary

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[1]John F. Bender, Problems in Financing the Common Schools of Oklahoma (Norman: University of Oklahoma Press, 1941), p.i.

[2]Paul R. Mort and Walter C. Reusser, Public School Finance (New York: McGraw-Hill Co., 1941), p. 541.

and Secondary Schools in Oklahoma. Dr. Payne studied the problems in financing public elementary and secondary schools in Oklahoma for the school year 1962-63. He reported that there were 620 elementary school districts and 560 high school districts in operation during that school year. He recommended that the minimum program be redefined to include provisions for administrative, supervisory and other services. Dr. Payne also recommended that present provisions of the minimum program be more adequately financed.[1]

In 1964, Governor Henry Bellmon appointed a "Governor's Advisory Committee on Common School Education." Dr. J. W. Payne served as chairman and the Division of Surveys and Field Services of George Peabody College for Teachers was employed to examine Oklahoma's system of "common education" and to develop a report. The survey team was divided into subcommittees, each taking a part of the major problem for study and recommendations. Dr. Erick L. Lindman, Professor of Education, The University of California at Los Angeles, was chairman of the subcommittee that studied "Financing Public Schools in Oklahoma."

The committee recommended that support for the transportation program and the minimum salary schedule used to compute the allotment for teacher's salaries be increased.

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[1]John Winfield Payne, "An Evaluation of the State Program for Financing the Public Elementary and Secondary Schools in Oklahoma" (unpublished Doctor's dissertation, Educational Administration, University of California, Berkeley, 1964), p. 150.

It was also recommended that the method of determining the number of positions allowable should be changed to include some nonteaching positions which, under the present formula, must be absorbed by increasing class size or financed from nonchargeable local funds; and that operational aid and basic aid should be replaced with an additional allotment for current expense purposes of $50 per pupil in average daily attendance during the preceding school year.[1]

The 1965 Legislature of Oklahoma provided for an incentive aid-flat grant of $5 per child in average daily attendance for each mill of the five mill emergency levy authorized by the voters of a school district. A maximum of $25 per child was provided. It also provided that the state support level be determined by dividing the total state aid for a district during the 1963-64 school year by its average daily attendance, and that foundation aid for successive years would be calculated on the basis of aid received for the 1963-64 school year. It also provided that adjustments would be made as changes occurred in the experience and preparation of teachers, transportation allowances, annexations, changed counties, high school programs, special education programs, transfer fees receivable, public service valuation,

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[1]"A Report to the Governor of Oklahoma by the Advisory Committee on Common School Education," Oklahoma City: October, 1964, p. 10-11. (Mimeographed)

personal property valuation and gross production taxes.[1]

The 1968 Legislature of Oklahoma provided that each school district that levies an emergency levy of five mills will receive $52 per child in average daily attendance during the previous year. This amount will be increased to $72 per child for the school year 1969-70 and $92 per child for 1970-71. The purpose of this additional support was to (1) increase the compensation of teachers, (2) reduce the nonteaching duties of teachers, (3) to reduce class size, (4) to improve, enlarge and enrich curriculum, and to (5) provide special education for children with learning disabilities.[2]

Need for Study

As indicated in the foregoing introduction, public education in Oklahoma is supported by a state-local finance plan that was designed about thirty years ago. As the costs of education have continued to increase and greater demands have been placed upon the public schools, existing provisions have been modified without changing the basic structure of the plan. Interested groups such as the Oklahoma Education Association, the Oklahoma Commission on Educational Administration, the Oklahoma Association of School Administrators, the Oklahoma School Boards Association, and the Oklahoma

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[1]Oliver Hodge, School Laws of Oklahoma-1965 (Oklahoma City: The Oklahoma State Department of Education, 1965), p. 125.

[2]Oklahoma, Session Laws (1968), Chapter 48, Sec. 3.

Congress of Parents and Teachers have begun to recognize the need for a complete restudy of the program of financing the common schools of Oklahoma, and for the development and implementation of a plan suited to the present and future needs of the State.

Erick L. Lindman has described the problem in discussing the outlook for state school finance in 1964-65:

> Most school finance problems converge at the state level. It is here that policies are established governing all funds received by school districts. Various kinds of federal payments must be properly related to the state school support program. It is here that fundamental issues concerning the allocation of the local property tax resources between the state foundation program and local leeway funds are resolved . . . But it is impossible to generalize on the directions of change which will occur in state school support programs because each state will respond to these new conditions in terms of its own unique history, its own constitutional provisions, and the wisdom of its leadership.[1]

A careful assessment of the financial status of the public schools of Oklahoma suggests a need for the development of a plan which is based on recognized criteria and which takes into consideration the peculiar and special needs of the State.

Purpose of the Study

The purpose of this study was to gather a body of organized information relevant to the problem of developing

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[1]Erick L. Lindman, Outlook for State School Finance Dimensions in School Finance. Edited by John K. Norton (Washington, D.C.: The National Education Association, 1966), p. 189.

a plan of state-local support of education in Oklahoma, to identify criteria for a finance plan which would assure adequate educational programs for all the children of the State, and to develop and test a plan based on these criteria.

Statement of the Problem

The problem of this study was to determine criteria for the formulation of a state-local plan for financing the public schools of Oklahoma and to develop a plan and distribution formula from these criteria.

Specifically the study proposes to:

1. Determine criteria for a sound state-local finance plan for the support of the public schools of the State.

2. Develop a plan, and a formula and procedure for its implementation for the distribution of money to the public schools of the State, based on these criteria, which, through the assignment of alternative values to key variables would serve as instruments for carrying out legislative decisions determining the nature and amount of state support to be provided.

3. Illustrate the procedure for implementing the plan by applying it to a sample school district, using values for key variables which would provide levels of support which would be reasonable and possible of attainment.

4. Test the plan by applying it to a selected sample of school districts of the State.

5. Evaluate the plan in terms of the criteria.

Delimitations of the Problem

The testing of the formula was limited to the data available from the Oklahoma State Department of Education.

Definition of Terms

Foundation Program - The minimum program of education that should be accepted as a basis for equalization in a state aid program, or the basic educational program that should be guaranteed under the state program of school support.[1]

Unit of Need - A standard of measurement representing a certain number of children in a school situation, as for example, twenty-five children in average daily attendance; or a standard of measurement, sometimes expressed in dollars of cost for educating some particular number of children.[2]

Incentive Aid - Funds distributed to local districts as a reward for extra effort beyond the local share of the foundation program.

The Data

The primary data for this study consisted of information derived from public documents, official reports to the Oklahoma State Department of Education, personal interviews, the Constitution of the State of Oklahoma, legal statutes, and the literature in the field of Public School Finance.

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[1]Carter V. Good, Dictionary of Education (New York: McGraw-Hill Co. Inc. 1959), p. 418.

[2]Ibid., p. 589.

These data were utilized in writing the body of the report.

Secondary data were obtained from the literature and from newspapers, periodicals, and unpublished theses and dissertations. An analysis and review of these sources was used in writing the following sections of the report: (1) introduction, need and purpose of the study, and (2) the review of related literature.

The Method of Research

The developmental descriptive method of research was used for this study. Deobold B. Van Dalen points out that this type of research may combine the historical, documentary and survey techniques.[1] Researchers concerned with trend studies utilize this method. It permits the gathering of information from documentary sources that describe present events or conditions and those that occurred in the past. After comparing the data and studying the rate and direction of change, predictions may be made about conditions or events that may prevail in the future.

Research Design and Procedure

The problem was developed in the following sequence:

1. The literature and research projects related to school finance were reviewed.

2. Criteria for a state-local finance plan were

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[1]Deobold B. Van Dalen, Understanding Educational Research (New York: McGraw-Hill Book Co., 1962), p. 206-210.

developed from the literature in the field of public school finance, taking in consideration the conditions affecting the financing of the public schools of Oklahoma, including both economic and political factors.

This procedure for establishing criteria was adopted because uniform standards which can be applied to all states have not yet been developed; and since the plan for any state must be adapted to the peculiar needs and conditions in that state.

A major national effort, the National Educational Finance Project, got underway last year with these major objectives:

> (1) identify, measure and interpret deviations in educational needs among children, school districts and states; (2) relate variations in educational needs to the ability of the school district and state to finance appropriate educational programs; and (3) conceptualize various models of state finance and subject them to consequential analysis to identify the strengths and weaknesses of each model.[1]

Until the work of this project is completed, efforts in the respective states to develop sound state-local finance plans will tend to be subjective in their approach to the very complex problems involved.

Literature considered in the development of criteria included bulletins and publications from the fifty State

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[1]R.L. Johns, Kern Alexander and Richard A. Rossmiller, "National Educational Finance Project." Report presented to the Twelfth National Conference on School Finance of Committee on Educational Finance of the National Education Association, New Orleans, Louisiana, March 23-25, 1969, p. 1. (mimeographed).

Departments of Education, and books, articles from periodicals, and unpublished dissertations in the field of public school finance.

The Oklahoma Constitution and the body of Oklahoma School Law were also important sources of information.

3. A plan was developed together with a formula and procedure for its implementation for the distribution of state funds to sc ool districts of Oklahoma.

4. A selected sample of the school districts of Oklahoma was used for testing the formula. School districts were selected on the basis of size as measured by average daily attendance, and assessed valuation per pupil. Approximately 50 per cent of the students in average daily attendance in the public schools of Oklahoma, and approximately 50 per cent of the assessed valuation of the school districts are included in the sample.

5. The plan was evaluated as each criterion and the plan were examined to determine if the criteria were met.

Organization of the Report

The report is presented in six chapters. The prospectus provided the framework for writing Chapter I. The review of related literature is presented in Chapter II. Chapter III traces the development of the criteria for the state-local support plan, and Chapter IV presents the plan and the procedure for its implementation. Chapter V reports the testing and evaluation of the plan, and Chapter VI includes the summary, conclusions, and recommendations.

CHAPTER II

REVIEW OF RELATED LITERATURE AND RESEARCH

Developments in State Support of Education

Very early in the history of our nation our forefathers recognized the commitment of the people through their government to support education. As early as 1642 the investment in education and in the training of youth was examined. The General Court of the Company of Massachusetts Bay in New England decreed that:

> Taking into consideration the great neglect of many parents and masters in training up their children in learning and labor and other implements which may be profitable to the commonwealth, that every town ye chosen men appointed for managing the prudential affairs shall henceforth stand charged with the care for the redresse of this evil . . . and for this end they, or the greater number of them, shall have the power to take account from time to time of all parents and masters and of their children, concerning their calling and implyment of their children, especially of their ability to read and understand the principles of religion and the capital laws of this country.[1]

The Massachusetts laws of 1634 and 1638 provided for taxation of all property for towns and colony benefits; but the laws of 1647 provided for school support by a compulsory

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[1]Van Miller and Willard B. Spalding, The Public Administration of American Schools (New York: World Book Company, 1952), p. 3.

tax of all householders.

By the early 1800's the tax on property was becoming the mainstay of local public school revenue. At that time the taxation of general property was the method of support of a state system of public education.[1]

The framers of our constitution did not mention education. As Johns and Morphet point out:

> Since the constitution of the United States makes no reference to education under the provisions of the tenth amendment the basic responsibility for education has been allocated to the states.[2]

This does not mean, however, that we rely entirely upon either the state or the local government for the provision of educational opportunities. The support of education has evolved as a partnership arrangement between local, state and federal levels of government. As early as 1785 and 1787 the federal government revealed its commitment to the educational enterprise of the nation, as the Northwest Ordinances provided that lots number 16 (the sixteenth section) of every township should be preserved for the maintenance of public schools.[3]

It has been suggested that:

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[1]William Everette Rosenstengel and Jefferson N. Eastmond, School Finance (New York: The Ronald Press Co. 1957), pp. 27-31.

[2]Roe L. Johns and Edgar L. Morphet, Financing the Public Schools (Englewood Cliffs: Prentice-Hall Inc. 1960), p. 171.

[3]Ibid., p. 169.

> We look to federal government as a junior partner in education, a partner shaping a new and better nationwide educational policy.[1]

Generally, states began to follow the example of Massachusetts and adopt laws which provided taxes for the support of public schools. New York, Pennsylvania, Indiana and Michigan were among the first to establish state departments of education with a superintendent of public instruction. It was under such men as Horace Mann, Henry Barnard, Gideon Hawley, John Pierce, and Caleb Mills that positive leadership was offered. Not only was the financial accounting and legal functions of their jobs done well, but these men are remembered as people who attempted to do something about the structure of education itself. Such problems as the improvement of teacher training, school district organization, and the establishment of a more adequate basis for financing education were examined.

By the beginning of the twentieth century, public education was in various stages of development. The right of the people to levy taxes for the support of public high schools had been clearly established by the famous Kalamazoo decision in 1874 by the Supreme Court of Michigan.[2] The concept of equality of educational opportunity for boys and

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[1]Ronald D. Moskowitz, "The Compact for Education," Local State Federal Partnership in School Finance, The Proceedings of the Ninth National Conference on School Finance (Chicago, Illinois, April, 1966), p. 31.

[2]Johns and Morphet, op. cit., p. 170.

girls throughout the state, however, was still being discussed by legislators, educators, and the public.

In 1905 Elwood P. Cubberley stated that:

> The first step in the attempt to equalize educational advantages has been the recognition on the part of the people of the state's interest in and responsibility for the education of its children. This recognition has been marked by the establishment of some form of general taxation for the partial support of the system of public education.
>
> The second great step in the attempt to equalize educational advantages will be taken when the people come to realize that a division with absolute impartiality to all is not necessarily an equitable division, and that it does not serve the purpose for which funds and taxes were provided as well as a distribution which is proportional to the needs of a community and the efforts which it makes to help itself.
>
> The third great step in the attempt to equalize educational advantages will be taken when the state recognizes that it is its duty to help new and desirable forms of education to gain a foothold and become established, and to assist necessitous communities by special grants, and, if necessary, to do so because the fund at hand is small, to withdraw all aid for "common schools" from those larger and wealthier communities which are able to care for themselves.[1]

Cubberley was concerned at this time because only ten states aided in the support of secondary education, and at the turn of the century very meager attempts were being made to support technical education, manual training, adult education, kindergartens, summer schools, supervision (both state and local), agricultural instruction, or minimum salary

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[1]Elwood P. Cubberley, School Funds and Their Apportionment (New York: Teachers College, Columbia University, 1905), pp. 84-85.

schedules.

The basic principles underlying Cubberley's proposals were equalization of educational advantages and reward for effort. His approach to the solution of state aid to education problems became the dominant one during the first quarter of this century.

In 1921 Updegraff, in his New York State Rural School Survey, disagreed with Cubberley's concept of reward for effort.

Mort reports that:

> Updegraff teed off from Cubberley's two purposes. He generalized the reward for effort appellation which Cubberley had given to special aids and built a system of aid on the policy of rewarding effort in terms of local tax rates. In essence, his plan was to make it possible through state aid for a tax in any community of less than average wealth to yield as much money as would be raised if the community had average wealth. Thus, he rewarded effort in a general sense and equalized opportunity at the same time.[1]

After the close of World War I the country was suffering from inflation. Concern was expressed for a study of common problems of school finance on a nationwide scope. The Educational Finance Inquiry became interested in a broad study of the facts of school finance. It made intensive descriptive studies of conditions in New York, Iowa, California, and Illinois. These studies were supplemented by a nationwide study of fiscally independent and dependent cities and also of unit

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[1]Paul R. Mort, The Foundation Program in State Educational Policy (Albany: The University of the State of New York, The Education Department, 1957), p. 11.

costs in higher education.[1]

Out of the New York report, the Strayer-Haig Educational Finance Inquiry of 1923, came the first concept of the foundation program. Attention was directed toward "equalization of educational opportunity" or the "equalization of school support." According to Strayer and Haig this principal is interpreted as follows:

> The state should insure equal educational facilities to every child within its borders at a uniform effort throughout the state in terms of the burden of taxation; the tax burden of education should throughout the state be uniform in relation to tax-paying ability, and the provisions for schools should be uniform in relation to the educable population desiring education. Most of the supporters of this proposition, however, would not preclude any particular community from offering at its own expense a particularly rich and costly educational program. They would insist that there be an adequate minimum offered everywhere, the expense of which should be considered a prior claim on the state's economic resources.[2]

The cost of education and wealth vary from school district to school district in a state and in attempting to depict a realistic workable partnership between the state and local communities the report states that the following would be involved:

> 1. A local school tax in support of the satisfactory minimum offering would be levied in each district at a rate which would provide the necessary funds for that purpose in the richest district.

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[1]Paul R. Mort and Walter C. Reusser, Public School Finance (New York: McGraw-Hill Book Co., 1941), p. 382.

[2]George D. Strayer and Robert Murray Haig, The Financing of Education in the State of New York (New York: The Macmillan Company, 1923), p. 173.

2. This richest district then might raise all of its school money by means of the local tax, assuming that a satisfactory tax, capable of being locally administered, could be devised.

3. Every other district could be permitted to levy a local tax at the same rate and apply the proceeds toward the costs of schools, but --

4. Since the rate is uniform, the tax would be sufficient to meet the costs only in the richest districts and the deficiencies would be made up by state subventions.[1]

The Strayer-Haig pattern of financing schools came at a time when states were suffering from financial conditions so bad that the old Cubberley pattern of reward for effort and doles to the needy could not carry the load. The Strayer-Haig formula was seized upon as a means of correcting intolerable conditions in communities.

According to Johns and Morphet, Paul Mort, both directly and through subsequent studies made by students, contributed more to the development of the foundation program concept as we know it today than any other person.[3] He was the first to propose that capital outlay could and should be financed by adding a percentage to the foundation program cost allowance for current operations. Mort was the first to apply the Strayer-Haig concept of equalization by the actual development of a program. His program was developed for the state of New York and included weightings for

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[1] Ibid.

[2] Mort, op. cit., p. 15.

[3] Johns and Morphet, op. cit., p. 266.

variations from district to district demanded by differences in population density.[1]

From 1929 until 1933 school districts throughout the nation suffered vast reductions in financial resources. A large number of teachers were unemployed and fear gripped the American people in the midst of the great depression. President Rosier of the National Education Association and President Rotter of the Department of Superintendence realized that the national situation in public education was so serious that it demanded immediate and joint attention.[2] A joint commission on the emergency in education was appointed. John K. Norton of Teachers College served as chairman and serving with him were J. B. Edmonson and Signey B. Hall of Virginia, A. L. Throelkeld of Denver, Herbert S. Weet of Rochester and David Weglein of Baltimore.

One major purpose of the joint commission dealt with the financing of education. The commission had been instructed to inquire into difficulties, financial and otherwise, which plagued schools and to take action aimed to meet these difficulties. The commission came to the conclusion that these difficulties were due to two causes:

> First, the general economic paralysis which began in 1929 and which resulted in restrictions

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[1]Mort and Reusser, op. cit., p. 385.

[2]Paul C. Stetson, "To the Members of the Department of Superintendence: Open Letter Number Three, The Joint Commission on the Emergency in Education," The American School Board Journal, Vol. LXXXVII, No. 1 (July, 1933), 16.

in both public and private expenditure . . . .

> The other factor which operated to reduce the financial support of schools and colleges was the inefficient and inequitable means by which education was financed in the United States.[1]

With a grant from the Carnegie Corporation the Commission conducted a National Conference on School Finance at Teachers College during the summer of 1933. The conference lasted two weeks and included such men as John K. Norton, chairman, William F. Russell, President of Teachers College, Paul R. Mort, Payson Smith, George D. Strayer, George F. Zook, Willard E. Givens, N. L. Englehardt, Howard A. Dawson, Eugene S. Lawler, Fred Kelly, Alfred D. Simpson, Walter D. Cocking, and William G. Carr.[2]

This conference addressed itself to the question, "What are the essentials of a modern school finance program"? The report of the committee dealt with such topics as universal education, equitable taxation, public information, economical administration, adequate local units, fiscal planning and Federal support of education. The fact that these topics are still so timely attests to the wisdom of the people who posed them thirty years ago.

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[1]John K. Norton, "Activities of the Joint Commission on the Emergency in Education," Phi Delta Kappan, XVI, No. 3 (October, 1933), p. 75.

[2]Arthur F. Corey, "The Essentials of a Modern School Finance Program," Local State Federal Partnership in School Finance, The Proceedings of the Ninth National Conference on School Finance (Chicago, Illinois, 1966), p. 12.

Arthur F. Corey points out that flexible terminology is used in the report of the joint committee and with the passage of time these terms must be redefined. Corey states that the essentials of a modern program of school finance must be found in the answers to three pertinent questions:

1. What is a defensible definition for complete educational opportunity for the American people?

2. What revenue will be required to support adequately, such an educational program?

3. What is the local, state, and federal responsibility in meeting such costs and administering such a program.[1]

Russia placed the first sputnik in space in 1957, and again those concerned with education in America began to reexamine the purposes and objectives of our system of education.

James B. Conant, former President of Harvard University and Ambassador to Germany, obtained a grant from the Carnegie Foundation to examine secondary education in the United States. Conant published The American High School Today, Slums and Suburbs, and more recently, Shaping Educational Policy, emphasizing that we have no national educational policy but rather a nationwide policy.

Conant proposed:

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[1]Ibid., p. 13.

> Let the fifty states, or at least fifteen or twenty of the more populous states, enter into a compact for the creation of an interstate commission for planning a nationwide Educational Policy.[1]

Governor Terry Sanford of North Carolina was terminating his successful term as governor as Conant made his proposal. Sanford saw a chance to strengthen the governor's role in shaping educational policy, and within a year a meeting was held in Kansas City with over 400 delegates attending. The idea of the "compact for education," was well received by the governors attending the conference, and the required ten states for the establishment of the compact were quickly obtained.

The compact will provide machinery to collect and interpret information, encourage and conduct research, develop proposals for financing education, make plans and recommendations for the improvement of education, and "do such other things as may be necessary or incidental to achieve its purposes."[2]

Basically there are two types of plans for providing general purpose grants for the support of education by the state level of government. The foundation program plan, also known as the Strayer-Haig Plan, is still used extensively throughout the nation, and the percentage equalization

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[1]James B. Conant, Shaping Educational Policy (New York: McGraw-Hill, 1964), p. 123.

[2]Daniel V. Levine, "The States Run Scared," Phi Delta Kappan, XLVII, No. 3 (November, 1965), p. 134.

subvention (or matching grants on an equalizing basis) type plan is being utilized by progressive eastern states.[1]

A third plan for distributing state funds to local districts is the Johns-Morphet variant. This type is a kind of cross breed, having features somewhat like those of the Strayer-Haig formula and somewhat like those in the percentage grants.[2] It is rather popular at this time, although few states have adopted it.

States using the Strayer-Haig foundation program plan determine the cost of the minimum educational program desired. A mandatory local district or county tax rate is set by the state legislature and the state shares in the support of a guaranteed minimum program for each child. A district might choose to reduce its expenditure level, but as long as the mandatory tax rate is levied the state continued to share in the support of its guaranteed program. As a district raises its expenditure level the Strayer-Haig formula does not offer financial support beyond the state's share of the fixed amount per unit of need or the foundation program.

States utilizing the percentage equalizing plan establish an average contribution rate for each district. A standard local tax rate is determined for school units throughout

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[1]Charles S. Benson, "Fiscal Incentives in State Aid Provisions," Trends in Financing Public Education, The Proceedings of the Eighth National Conference on School Finance, (Chicago, Illinois, April, 1965), p. 51.

[2]Ibid., p. 251.

the state, and as assessed valuation per child increases the state's contribution rate decreases, and as the valuation decreases the contribution rate increases. All school units are usually required to spend a certain minimum amount per child. As school districts spend more for new services and experimentation in education, the state continues to share in the expense.

An examination of the fifty state school finance programs reveals that state funds for the support of public education are distributed by methods that vary widely. Basically the larger distributions are made through equalization program plans. Incentive aids, special purpose grants and general purpose grants are also utilized in many state-local support programs.

Five State-Local Support Plans

Five state-local support programs were examined in order to illustrate the Strayer-Haig and percentage equalization types of state-local support plans. Equalization programs for the states of Colorado, Washington, New York, Rhode Island, and Oklahoma were selected for study. Information describing these programs was supplied by the finance divisions of the State Departments of Education of these states, and the Bureau of Elementary and Secondary Education of the United States Office of Education.

Colorado

State money is distributed to the school districts of Colorado through a Strayer-Haig type of foundation program, and special purpose grants for transportation, special education, children of migrant workers, low income counties, public school property tax relief and excess growth.

Approximately 28.8 per cent of the non-federal revenue for public elementary and secondary schools was provided by the State during 1968-69, and about 54.2 per cent of the state money distributed for the public schools, grades K-12, was allotted through the foundation program.[1] The people at the local level are relatively free to tax themselves to provide additional desired educational services, but the state does not share in these costs beyond the guaranteed support level of the foundation program or specific special purpose grants. Local school districts may increase their budgets not to exceed 5 per cent of the tax revenues during the preceeding year. Increases in excess of 5 per cent may be approved by the state tax commission, or if denied, may be submitted to a vote of the people for approval. No revenue from state funds may be spent for capital construction except for junior colleges.

The foundation program for Colorado provides freedom

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[1]Thomas L. Johns, Public School Finance Programs, 1968-69 (Washington D.C.: U. S. Department of Health, Education and Welfare-Office of Education, February, 1969), p. 36.

from state control of educational decisions, since foundation program monies are distributed to school districts, and local boards of education determine their expenditure. The unit of need is simple since it consists of twenty-five students in average daily attendance. The level of support is established by the State Legislature and the measure of local tax paying ability is applied on a county basis. Each county is required to raise a portion of the required guaranteed support, depending upon its assessed valuation and amount of personal income taxes collected per classroom unit.[1]

The State of Washington

The state-local finance plan for the support of education for the State of Washington also includes a Strayer-Haig type of foundation program. The unit of need is based upon weighted enrollment factors which include kindergarten programs, handicapped children, secondary schools, approved vocational education classes, the professional preparation of staff, small elementary and secondary schools, and disadvantaged or migrant pupils.

The state legislature determines the guaranteed support level per weighted pupil enrolled. If specified local revenues are insufficient to support the program at this level then the difference is supplied by the State.

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[1]Paul G. Bethke, Public School Foundation Act (123-6, CSL, 1966), (Denver: Colorado State Department of Education, June, 1966), p. 1. (Mimeographed)

The wealthier districts receive limited amounts of state aid while the poorer receive more.

County and local taxes required for participation in the State's foundation program include a 14 mill local levy for unified school districts, and a 8.4 mill levy for elementary school districts, and a 1 per cent countywide real estate transfer tax. High school districts receive 85 per cent of public utility district excise tax, 85 per cent of public law 874 monies, and 85 per cent of forrest funds.[1] There is no limit on levies in excess of the 14 mills if approved by a 60 per cent majority of those voting in an election in which the number of persons voting equals or exceeds 40 per cent of the number who voted in the last general election.

Special purpose grants are provided for transportation, community colleges, adult education, adult vocational education, vocational technical schools and costs of programs for the handicapped.

The advantages of the Washington plan are that most educational services are included within the foundation program, and the financing of educational programs, beyond those guaranteed by the State, is possible through local mill levies.

Rhode Island

The state of Rhode Island utilizes the percentage

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[1]Johns, op. cit., pp. 306-08.

equalization type of support program for education. State educational support is provided on the basis of four distributions; (1) aids to current expenditure programs, (2) aid for school facilities, (3) aid for programs for disadvantaged children, and (4) aid for handicapped children.

Each year the State Board of Education, upon recommendation of the commissioner, determines a mandated minimum program support level. This is the minimum amount which a school district may spend per pupil in average daily membership.

The state's support ratio is calculated for each district with the following formula:

$$\text{State Ratio} = \left[\frac{(1 - (\text{Standard Local Tax Rate})(\overline{\text{AEWAV}})}{(\text{Support Level})(\text{ADM})}\right] \times 100$$ [1]

The standard local tax rate is the state-wide tax rate required to produce the local districts' share of the percentage equalization program. The AEWAV is adjusted equalized weighted assessed valuation of real and tangible property modified by the ratio the district's median family income bears to state median family income. ADM is average daily membership of grades kindergarten through twelve and kindergarten is weighted 0.5.

The State's support ratio is not less than 30 per cent for all school districts, and ranges to 77 per cent.[2]

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[1]Johns, op. cit. p. 254.

[2]William P. Robinson, Jr., State Aid in Rhode Island (Providence: Rhode Island State Department of Education, August, 1968), p. 2.

This ratio is multiplied by the total expenditures for school operations less Public Law 874, support tuitions and miscellaneous income, to determine total state aid.

The State's share of the amount for school facilities is determined as follows:

$$\text{State share ratio} = \left[1 - \frac{(13.28 \text{ mills})(\overline{EWAV})}{(\$350)(ADM)}\right] \times 100^{1}$$

Total cost of all eligible school projects, sites, buildings, remodeling, library books and equipment is reduced by the aid received through Public Law 815. The state share ratio is then divided by 20, since payment is made over a 20 year period, and multiplied by eligible new construction costs.[2]

Towns must vote on all appropriations for schools and each town must raise by tax, for the support of public schools, three mills on its locally assessed valuation, and not less than the cost of the basic program during the preceding year, plus the costs of all optional programs shared by the State. If a community fails to make available to the school committee the minimum sums provided, the Commissioner of Education notifies the general treasurer of the amount of the deficiency, and this amount is withheld from state funds otherwise due such community.[3]

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[1] Johns, op. cit., p. 254.

[2] Ibid. pp. 7-8.

[3] Ibid. p. 14.

The advantage of the support program for Rhode Island is that the State continues to share in the costs of experimentation in education, and new developments which are designed to enhance public education and research, even though these costs are beyond the state minimum mandated program level.

New York

The State of New York also uses a form of the percentage equalization plan for financing schools. State aid for operating expenses is calculated by multiplying approved operating expenses by the district aid ratio. Operating expenses are used only to the extent they do not exceed $760 per weighted average daily attendance, and by not be less than $274 per weighted average daily attendance for the school year 1968-69. This is often referred to as "flat grant aid." To be eligible to receive maximum general aid a district must levy local taxes at the rate of at least $11 per $1000 of actual valuation.

The state aid ratio is used in determining the state's share of the district's operating expenses, debt service, capital expenditures, as well as in computing the various size corrections and aid under certain special aid programs. It varies among districts depending upon wealth and number of pupils. It is expressed as a formula as follows:

$$\text{Aid Ratio} = 1 - \left[\frac{\text{Actual Valuation per RWADA of district}}{\text{State average actual valuation per state WADA}} \times .51 \right]$$ [1]

Districts with valuation per resident weighted average daily attendance equal to the state average receive 49 per cent of their operating expenses from the State. In districts which are below the state average in valuation per weighted pupil in average daily attendance the State's share of operating expense is more than 49 per cent, and in districts with valuation above the state average the State's share becomes less than 49 per cent.

The unit of need as used in calculating operating expenses utilizes weighting factors for kindergarten, grades one through six and grades seven through twelve. Included with the equalization aid program are special provisions for population sparsity, larger districts but not city districts, city districts of 125,000 or more inhabitants, and school construction.

Special aid programs provided are textbooks, experimental pre-kindergarten programs for disadvantaged children, experimental programs in mathematics, science, modern foreign languages and education for the gifted, innovations in education, school to employment programs, experimental programs

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[1]"A Guide to Programs of State Aid for Elementary and Secondary Education in New York State," Prepared by the University of the State of New York, The Education Department, Division of Educational Finance, (Albany, New York: University of the State of New York, January, 1969), p. 16.

for early detection of ability in children from low socio-economic backgrounds, educational television, summer school for children of migrant workers, and experimental projects in rescheduling the school year, adult education and special education.[1]

The New York plan for financing education has the advantages of the percentage equalization type of program for the operating expenses part of the budget, but it also has the advantages of the special purpose flat grant type of state program as the state encourages financially those programs in which it has an interest, regardless of the wealth of the district.

Oklahoma

State funds for the support of education in Oklahoma are distributed through incentive aids, special purpose grants, and a Strayer-Haig type of foundation program. Sixty two per cent of the state money for public school support was distributed as Foundation Aid during 1968-69.[2]

The support level for the foundation program is based on aid received by school districts during the 1963-64 school year. A study of current provisions of the state support program for education in Oklahoma requires an examination of procedures for distributing state funds for the base year or

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[1] Ibid., pp. 49-60.

[2] Johns, op. cit., p. 228.

1963-64. This is explained in the School Laws of Oklahoma for 1965 as follows:

> The amount of money for which a school district may qualify shall be determined by dividing the "Total State Aid" received by such district in 1963-64 by the total legal average daily attendance in such district for the same year. This quotient shall be calculated to the nearest dollar amount per child and such amount shall become the State's guaranteed level of support multiplied by the legal average daily attendance of the previous year.[1]

The educational program which was guaranteed by the State of Oklahoma under the 1963-64 law was designed as the minimum program. Those revenues which were the local district's share of the support level of the minimum program were designated as minimum program income or "chargeable" revenues. The minimum program income was subtracted from the minimum program and the difference was equalization aid.

The unit of educational need is complex and involves the components of the minimum program. Included with the minimum program for 1963-64 were salaries for teachers, allowances for transportation, special education and vocational programs, and provisions for administrative and vocational personnel. Also included was an allowance of 12 cents per day per pupil in average daily attendance for the preceding year for other current expenses.[2]

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[1]Oliver Hodge, School Laws of Oklahoma - 1965 (Oklahoma City: The Oklahoma State Department of Education, 1965), p. 125, quoted in Larry Gene Burdick, "A Distribution Program for State Support of Current Expense for Public Education in Oklahoma," (Unpublished Ed. D. dissertation, Graduate College, Oklahoma State University, Stillwater, 1967), p. 69.

[2]Johns, op. cit., p. 229.

Teacher units were based on a ratio of 26 students in average daily attendance during the previous year to one teacher, and includes special provisions for elementary schools with an average daily attendance of less than 122 pupils and junior and senior high schools of less than 72 pupils. Schools providing a reimbursed vocational program were credited with an additional one-half teacher unit for each full time vocational teacher employed.

Increments were provided for superintendents and principals of $3 per month per teacher for which the district qualifies not to exceed 20 teachers. Superintendents' increments were calculated on the basis of 12 months and principals were limited to 10 months. Provisions were also made for the adjustment of salaries of vocational personnel whose contracts were for 11 or 12 months rather than 10.

Funds for teachers' salaries were calculated for the minimum program based upon a guaranteed salary schedule for the school year 1963-64 as follows: Bachelor's degree, $3600; Master's degree, $3800; and Doctor's degree, $4000. A maximum of 15 increments of $100 per year was allowed for teaching experience and military service for a maximum of 15 years. The 1963 legislature provided a minimum salary of $3800 for each teacher for the school years 1963-64 and 1964-65, and the 1965 legislature increased the salary of every teacher by 10 per cent of the salary of a beginning teacher in 1964-65. This increase was not financed within the foundation program.

The 1968 legislature provided that:

> For the school year 1968-69 no teacher shall receive less than a Five Hundred Dollar ($500.00) increase over the amount provided for such teacher in that district during the school year 1967-68; provided, that for the school year 1969-70 no teacher shall receive less than a Nine Hundred Dollar ($900.00) increase over the amount provided for such teacher in that district during the school year 1967-68; provided, that for the school year 1970-71 and thereafter no teacher shall receive less than a One Thousand Three Hundred Dollar ($1,300.00) increase over the amount provided for such teacher in that district during the school year 1967-68; these raises shall be in addition to any increment as now provided by law. Provided further that no teacher shall be paid less than Five Thousand Dollars ($5,000.00) for the school year 1968-69, nor less than Five Thousand Two Hundred Fifty Dollars ($5,250.00) for the school year 1969-70, nor less than Five Thousand Five Hundred Dollars ($5,500.00) for the school year 1970-71, and thereafter.[1]

The base salary remains the same that it was in 1963 even though the minimum salary is increased, and the increases are not financed within the foundation program. Local funds and incentive aid funds must support these mandated increases in teachers' salaries.

Provisions for special education were adjusted from the 1963-64 year for physical and occupational therapists, teachers for homebound, teacher travel, home to school telephone communication, and pupil travel to and from special facilities. The 1963 school law provided for an amount that is equivalent to 75 per cent of that allowable for the salary of each teacher in the minimum program for State Equalization

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[1]Oklahoma, Session Laws (1968), Chapter 48, Sec. 4.

Aid purposes, or a proportionate part thereof according to the number of hours per school day devoted to special education duties, if a district qualified for State Equalization Aid; or an amount that is equivalent to 50 per cent of such allowable amount if the school district did not quality for State Equalization Aid.

Transportation funds were distributed under a formula based on pupil density per square mile.

The minimum program income included revenues derived from a 15 mill levy times the assessed valuation, after allowing a 10 per cent deduction for delinquent taxes; the full amount collected from county apportionment, intangible tax, transfer fees, auto license and farm truck taxes; 75 per cent of the amount received by the school from the county 4 mill levy; the actual collection from gross production taxes and rural electrification taxes; and income from school lands which was distributed on the basis of school census.

The 1963-64 support program provided two flat grants distributed on the basis of average daily attendance. Basic aid for those districts which levied 15 mills was calculated by multiplying $12.50 by the average daily attendance of the preceding year, and was considered to be minimum program or "chargeable" income. This included only districts that offered a 12 year educational program. Operational aid was provided for all districts that levied 20 mills and consisted of $8 per pupil in average daily attendance and was "non-chargeable" income.

Basically the present program is the same as that during 1963-64, but adjustments are made in foundation aid for unusual changes in transfer fees receivable, gross production tax collections, personal and public service property valuations, transportation allowances, district boundaries, vocational programs and special education programs. The present foundation program is limited to a support level of not more than $300 per pupil in average daily attendance.

As mentioned earlier, foundation aid is based upon total aid received during the 1963-64 school year. "Total State Aid" as used includes:

> Equalization Aid, Basic Aid, Operational Aid, Special Education Aid paid from the general Minimum Program, and shall not include state paid transfer fees.[1]

Adjustments are made if average daily attendance for a school district increases during the first half of a school year over that of the previous year and this increase in attendance would result in a total of $2500 increase in state funds under the foundation program.

The School Laws of Oklahoma of 1965 describe the incentive aid provisions as follows:

> To all school districts an amount of money equal to Twenty-five Dollars ($25.00) multiplied by the legal average daily attendance of the previous year of such district, provided the school district levies a levy of five (5) mills as provided under Section 9

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[1]Oliver Hodge, School Laws of Oklahoma - 1967 (Oklahoma City: The Oklahoma State Department of Education, 1967), p. 125-26.

> (d), Article X of the Oklahoma Constitution. Provided, school districts which levy less than five (5) mills of the authorized levy shall receive Five Dollars ($5.00) per child for each full mill levied.[1]

Incentive aid will be increased to $52 for the school year 1968-69, to $72 in 1969-70, and to $92 in 1970-71.[2]

Constitutional provisions in Oklahoma limit a district to a total of 39 mills for operational purposes, and indebtedness to 10 per cent of assessed valuation. The following levies for operational purposes are authorized by the constitution:

> A 5 mill levy to public schools from the 15 mill general local government authorization.
>
> A 15 mill levy may be authorized for general fund purposes by a local board of education.
>
> A 5 mill emergency levy may be authorized for general fund purposes by a majority vote of the electors voting on the question.
>
> A 10 mill local support levy may be authorized for general fund purposes by a majority vote of the ad valorem tax paying voters voting on the question.
>
> A 4 mill county-wide levy for general fund purposes is mandated by the constitution.[3]

An additional 5 mill building fund levy may be authorized by a vote of the majority of the qualified voters in an election. These monies may be used for erecting, remodeling,

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[1]Oliver Hodge, School Laws of Oklahoma - 1965, op. cit., p. 125.

[2]Oklahoma, Session Laws (1968), Chapter 48, Sec. 3.

[3]Oliver Hodge, School Laws of Oklahoma - 1967, op. cit., p. 156.

or repairing school buildings and for purchasing furniture.[1]

The Oklahoma foundation program has the advantage of including the major portion of state funds that are distributed for educational purposes. The employment of well prepared and experienced personnel is encouraged, and limited support is provided for administrative personnel. The basic unit of educational need, however, is complex and involves many factors. Each year adjustments must be made as data for the 1963-64 school year form the basis of the foundation program.

Formal Research Projects Related to This Study

Carr published in 1937, State Control of Local Finance in Oklahoma. He noted that the granting of state aids in Oklahoma was confined almost entirely to counties and school districts. Furthermore, the use of state funds locally was confined primarily to two governmental functions--education and highways.[2]

According to Carr, grants in aid to education had their beginning with the state constitution and laws passed in 1919, and provided for special state aid to the "weak" school districts of the state.

Carr considered the problem of the added measure of control or supervision of local government gained by the

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[1] Ibid. p. 158.

[2] Robert K. Carr, State Control of Local Finance in Oklahoma (Norman: University of Oklahoma Press, 1937), p. 230.

state government as a result of the conditions it imposes in making grants in aid. He concluded that:

> Except in the case of weak school aid, the legislature has not included many requirements in state aid statutes, nor has it given any administrative agency broad power to supervise the expenditure of these funds by local government. In fact, there is cause to conclude that the state government is losing a good opportunity to raise the caliber of local government than to fear that the grant in aid is endangering home rule.[1]

In 1941, Dr. John F. Bender made a study of school finance in Oklahoma and published Problems in Financing the Common Schools of Oklahoma. He used Mort's formula for weighting elementary and secondary students and sparsity factors, and Norton's index of weighted economic resources for comparing Oklahoma's educational effort with that of the other forty-eight states. Among his conclusions were:

> 1. Oklahoma teachers suffered a decrease in salary from 1934 to 1936.
>
> 2. Most school boards in Oklahoma neglect the maintenance of plant. This is an item of current expense budget. It should be provided for every year in the same way that teachers salaries are.
>
> 3. The widely varying rates of assessment in the counties greatly affects the apportioning of state aid for schools. Some counties, because of low assessments, are getting more state aid than they should get.
>
> 4. Legislation should be passed to abandon the practice of earmarking funds for specific purposes, to bring about reorganization, to provide free textbooks, and to provide reimbursement of homestead exemption to local districts.[2]

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[1] Ibid., p. 234.

[2] John F. Bender, Problems in Financing the Common Schools of Oklahoma (Oklahoma City: Bond Printing Co., 1941), p. 235.

Jessie W. Martin completed a dissertation at the University of Tulsa in 1955, The Development of State Support of the Public Schools of Oklahoma and Recommendations for a Better State Guaranteed Program. He reviewed the historical background of school finance and the theories and practices which have helped to establish the foundation program concept among the various states. His Chapters III, IV, and V include a detailed history of the nature of the provisions and efforts that have been made for promoting the growth of education in Oklahoma from 1818 through 1954. Three major problems of state support for Oklahoma's public schools were identified and recommendations were made for their solution. The first problem identified was that of defining the minimum guaranteed program, and defining it with respect to both school activities and financing. The second problem was that of determining the taxpaying ability of the local school district, and the third problem was that of reorganization of districts to provide adequate taxing units for a more effective financing and administration of local school systems.[1]

Martin stated further that the foundation program must be dynamic in its nature, with its provisions subject to change and commensurate with the changes evolving in the economic, industrial, social, political and spiritual life of

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[1]Jessie W. Martin, "The Development of State Support of the Public Schools of Oklahoma and Recommendations for a Better State Guaranteed Program" (unpublished Doctor's dissertation, Graduate College, Tulsa University, Tulsa, Oklahoma, 1955), p. 203.

Oklahoma citizenry. He concluded that adequate financing was necessary to provide and maintain an enriched educational program.[1]

His second recommendation was that adequate and equitable local support was needed in Oklahoma and this could be obtained by the equalization and upgrading of assessments, the modification of the Homestead Exemption Law, and the use of economic indexes to determine tax paying ability of local districts. The last recommendation was that the problem of reorganization was related to the problem of further defining the minimum program and improving assessment practices in Oklahoma. The inability of small districts to provide adequate educational opportunities for its people is an argument for reorganization of such districts.[2]

Dr. John W. Payne completed, An Evaluation of the State Program for Financing the Public Elementary and Secondary Schools in Oklahoma, in 1964 at the University of California at Berkeley. After the development of criteria and the evaluation of the present program for financing education in Oklahoma, Dr. Payne selected two special problem areas for study. These were (1) equalization and upgrading of property assessments, and (2) school district reorganization. He also examined certain special purpose grants and programs designed to assist districts in financing education. The special

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[1] Ibid.

[2] Ibid.

programs were (1) textbooks, (2) pupil transportation, (3) special education, (4) vocational education, and (5) Indian education.[1]

Payne made the following recommendations for Oklahoma's school finance program:

> 1. Equalize and upgrade assessments, within and between counties, to a state wide ratio of 30 per cent between assessed and actual values.
>
> 2. Repeal homestead exemptions so that exempted homesteads will be returned to the property tax rolls in the interest of a larger tax base.
>
> 3. Create a more appropriate organization for education in Oklahoma by eliminating inefficient school districts.
>
> 4. Redefine the minimum program to provide for administration and supervision and other services in addition to those provided by regular classroom teachers. Finance more adequately the present provisions included in the minimum program.
>
> 5. A program be adopted to reward the less wealthy districts for local tax effort.
>
> 6. A method to be adopted for using the Federal 874 funds to reduce the amount of state aid for which the district qualifies when the district has a net assessed valuation above the state average.
>
> 7. The constitution be amended to remove the ceiling on the number of mills that a local district can levy for the support of public elementary and secondary schools.[2]

Payne also observed that:

> Every plan will need improvement from time to time as conditions change, new procedures are developed, or inequities are discovered. The basic principles, however, will remain unchanged. Provisions,

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[1]Payne, op. cit., p. 147.

[2]Payne, op. cit., pp. 148-152.

> therefore, should be made for systematic, periodic evaluation and restudy of various aspects of any foundation program for the purpose of planning needed improvements. The program itself should encourage and facilitate long-range state and local planning as contrasted with expedient action or short-sighted practices. The program should be as simple as possible, avoiding complexities that do not contribute substantially to the main goals of education and of public school finance.[1]

In 1964, Governor Henry Bellmon appointed a Governor's Advisory Committee on Common School Education." This committee contracted with the Division of Surveys and Field Services, George Peabody College for Teachers, Nashville, Tennessee, to examine Oklahoma's system of "common education" and to develop a report.

The survey team explored its problem by dividing into subcommittees, each taking a part of the major problem for study. E. B. Norton, President of Florence State College was the chairman of the group that studied, "State and Local Organization for the Administration of Education." James W. Whitlock, Associate Director, Division of Surveys and Field Services, George Peabody College for Teachers, worked with "Instructional Personnel." Jack W. Miller, Associate Director, Division of Surveys and Field Services, George Peabody College for Teachers, studied "Elementary Education." James W. Reynolds, Professor of Education, The University of Texas, and his subcommittee explored "Education of Youth." Chester Swanson, Professor of Education, The University of California

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[1] Ibid. p. 23.

at Berkeley, studied "Vocational Education," and Erick L. Lindman, Professor of Education, The University of California at Los Angeles and his group surveyed, "Financing Public Schools in Oklahoma."

The survey team completed its study and made its recommendations to the Governor's Advisory Committee. The Advisory Committee reviewed the report of the survey team and made its recommendations to the Governor. Among the recommendations in the area of "Financing Public Schools in Oklahoma," were the following:

1. The minimum salary schedule used to compute the allotment for teachers' salaries should be increased and the method of determining the number of positions allowable should be changed to include some non-teaching positions, which under the present formula, must be absorbed by increasing class size or financed from nonchargeable local funds.

2. To make the minimum program reflect more accurately the mandatory program assured for every school child in the state, optional excess cost allowances for vocational education and for special education should be removed from the minimum program.

3. The excess cost of an approved optional program should be computed by deducting from its total cost amounts allotted for it in the minimum program.

4. The excess cost of an approved optional program should be shared between the state and local school district on a variable percentage basis in which the state's contribution is proportionately greater in less wealthy school districts.

5. The formula for computing the allotment for pupil transportation should be reviewed by the State Board of Education to determine whether the difference between the cost of pupil transportation and the allotment, therefore, is creating excessive, unequal burdens upon school districts.

6. The additional allotment for current expense purposes should be increased to $50 per pupil in average daily attendance during the preceding school year.

7. With the recommended increase of the allotment for other current expense purposes in the minimum program, Operational Aid and Basic Aid should be discontinued.

8. The 15 mill school district levy chargeable to the minimum program should be replaced by an increased county-wide property tax contribution.

9. With the elimination of the 15 mill "chargeable" school district tax, the present 4 mill county-wide tax should be increased to not to exceed 20 mills and the entire proceeds should be used to finance the minimum program.

10. Each local school board should be permitted to levy not to exceed 10 mills per dollar of assessed valuation for local school requirements in excess of the state minimum program.

11. An additional 10 mill levy should be permitted if such levy is approved by a vote of the people.

12. The State Board of Equalization should proceed immediately to issue orders to bring property valuations up to not less than 30 per cent of true value. If this recommendation is rejected, then the "ratio correction plan," using recognized minimum standards for establishing the true value of property, should be incorporated into law.

13. Fifty per cent of federal funds received by school districts pursuant to PL 874 and under the Johnson O"Malley Act should be made chargeable to the minimum program.

14. For regional service programs and area vocational schools, the excess cost should be computed; all applicable revenues deducted; and the deficit should be reimbursed in full from state sources.

15. The State Board of Education should develop a state assistance program for school districts which are levying excessive debt service tax rates

> and are unable to provide minimum school facilities.[1]

Larry Gene Burdick in a doctoral study in July, 1967, at Oklahoma State University, A Distribution Program for State Support of Current Expense for Public Education in Oklahoma, developed a program that involved general support for the elementary and secondary schools in Oklahoma and an incentive aid program. Educational need and local ability were considered in the development of a percentage equalizing type of formula.

The proposed program was tested assuming that the state and local levels of support should be at 50 per cent for each. It was found that if equalization of educational opportunity is provided on a county basis that a county levy of 27 mills would be required to guarantee a $450 per average daily membership support level in Oklahoma.[2]

Burdick states that:

> Three very important characteristics of a desirable state distribution program are the simplicity of the plan, the incentive to the local school district, and the equalization of effort among districts.[3]

Burdick's proposed program involves the pupil unit

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[1]"Report of the Governor's Advisory Committee on Common School Education," (Oklahoma City: October, 1964), p. 10-13. (Mimeographed).

[2]Larry Gene Burdick, "A Distribution Program for State Support of Current Expense for Public Education in Oklahoma," (unpublished Ed. D. dissertation, Graduate College, Oklahoma State University, 1967), p. 84.

[3]Ibid., p. 128.

and a percentage equalizing formula which provides simplicity, an incentive aid formula and equalization of effort at the county level.

Summary

Concern for the support of education can be traced to the Massachusetts laws of 1634, 1638, and 1642. Gradually other states followed the example of Massachusetts and adopted laws which provided taxes for the support of public education.

Cubberley was the first, near the beginning of the twentieth century, to examine the various school finance programs that had been adopted by the states. Cubberley is best known for his proposal that educational advantages could be equalized when state legislatures encouraged the establishment of new and desirable forms of education by special grants. Special grants are still a vital part of many state support programs throughout the nation.

Updegraff, Strayer, Haig, and Mort contributed to the development of the foundation program concept as we know it today. Updegraff was the first to suggest that Cubberley's proposal of reward for effort and aid for the needy districts be modified by rewarding effort in terms of local tax rates. Strayer and Haig developed the first foundation program concept from the New York report of the Educational Finance Inquiry of 1923. Attention was shifted from equality of school support to the concept of equalization of educational opportunity. Mort applied the Strayer-Haig concept in the

development of a foundation program for the State of New York. He included weightings demanded by differences in population density.

The fifty states now utilize basically either the Strayer-Haig type of foundation plan or the percentage equalization plan in providing general state support for public education. Incentive aids, special purpose grants and general purpose grants are utilized for the distribution of smaller amounts of state support.

Colorado, Washington, and Oklahoma utilize a Strayer-Haig type of foundation program for distributing the major portion of state money for education. A minimum guaranteed support level is determined by the state legislature and financed on a partnership basis with state and local revenues. A measure of relative taxpaying ability is developed and school districts with less taxpaying ability receive proportionately more foundation aid than wealthier districts and attempts are made to equalize educational opportunities throughout the state.

New York and Rhode Island apply a percentage equalization program in distributing state funds for the support of public education. The taxpaying ability of local units is determined and an average contribution rate for the support of the educational program is developed for each school district. Wealthier districts have lower percentage contribution rates and receive less state aid and poorer districts

have higher contribution rates and receive more state aid. A minimum support level is usually mandated by the state legislature and the state continues to share added costs as school districts exceed the minimum support level. New York determined a maximum support level that the state will share as school districts enrich their educational program.

Formal research related to school finance in Oklahoma includes Carr's book published in 1937, State Control of Local Finance in Oklahoma; Dr. John F. Bender's book published in 1941, Problems in Financing the Common Schools of Oklahoma; Jessie W. Martin's doctoral dissertation which was completed at the University of Tulsa in 1955, The Development of State Support of the Public Schools of Oklahoma and Recommendations for a Better State Guaranteed Program; John W. Payne's doctoral dissertation which was completed in 1964 at the University of California at Berkeley, An Evaluation of the State Program for Financing the Public Elementary and Secondary Schools in Oklahoma; Governor Henry Bellmon's, "Governor's Advisory Committee on Common School Education," which completed its study in 1964; and more recently Larry Gene Burdick's doctoral dissertation which was completed in 1967 at Oklahoma State University, A Distribution Program for State Support of Current Expense for Public Education in Oklahoma.

Chapter III will be concerned with the development of criteria for a state-local support program for the support of public education in Oklahoma.

CHAPTER III

CRITERIA FOR A STATE-LOCAL FINANCE PLAN FOR THE PUBLIC SCHOOLS OF OKLAHOMA

This chapter will present criteria for a sound state-local finance plan for the public schools of Oklahoma that were determined from the analysis of the primary and secondary data and a subjective appraisal of the economic, political and educational conditions existing in the State. The statement of each criterion will be followed by supporting references and justifications.

As mentioned earlier, fifty states have statutes which provide for state-local support of public education. Hawaii has its public school system centralized as one school district under one board of education, and funds for the operation and capital improvements of the school system are obtained through appropriations from the State Legislature.[1] There are no statutory provisions in Nebraska for state support of education. There are a few categorical aids, but

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[1]Letter from Harold K. Funkunaga, Director, Budgeting and Accounting, Office of Business Services, Hawaii Department of Education, Honolulu, Hawaii, January 17, 1967.

there is no foundation or equalization program.[1]

An examination of the fifty state-local plans for the support of public education reveals that they basically include either one of two types of equalization programs: (1) a Strayer-Haig type of foundation program, or (2) a percentage equalization type of plan as utilized in the states of New York and Rhode Island.

Criterion #1

The state-local finance plan for the support of the public schools of Oklahoma should include a Strayer-Haig type of foundation program. This partnership plan should permit the degree of local control necessary for school districts to meet the educational needs of their communities and provide the encouragement and opportunity for quality educational programs.

The Strayer-Haig type of foundation program, or its modification, seems to have dominated theory and practices for equalizing educational opportunities in the nation up to now. Approximately 62 per cent of the state funds distributed to school districts in Oklahoma during the 1968-69 school year were distributed through this type of a foundation program.[2]

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[1]Letter from Paul E. Seidel, Director of Finance, Nebraska State Department of Education, Lincoln, Nebraska, January 10, 1967.

[2]Thomas L. James, Public School Finance Programs, 1968-69 (Washington, D. C.: U. S. Department of Health, Education and Welfare - Office of Education, February, 1969, p. 228.

The foundation program may provide that flat grants be given to school districts on a basis of a unit of educational need with relative amounts of freedom delegated to local boards of education in providing educational services, as provided in the Colorado Plan. At the other extreme, specific educational services may be written into the program or plan. These services might include salaries of teachers, administrative costs, vocational education, special education, transportation costs or kindergarten programs.

Burke stated:

> The equalization concept as viewed by Strayer and Haig did not subordinate local control to state concern. The state became responsible for a minimum offering in all localities representing the interest of all the people with education, but the localities were to be free to add as much as they desired and could afford.[1]

The Strayer-Haig type of foundation program permits the distribution of money to school districts for specific educational services or special programs in which the State has an interest without dictation from the State regarding the administration of the services or programs. The word "foundation" then, as applied to the foundation program implies that each child in a state is entitled to a certain minimum educational program regardles of the wealth of his school district. Since an educational program is directly related to expenditures for the program, the support level

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[1]Arbid J. Burke, Financing Public Schools in the United States (New York: Harper Brothers Publishers, 1957), p. 445.

must be translated into costs necessary to finance the foundation program, and actually the foundation program determines the minimum level of education available to children.

Cornell and McLure pointed out:

> A quarter of a century of experience and research with the implementation of the foundation program concept has demonstrated that this concept is based upon a sound theory and rationale.[1]

Criterion #2

The unit of measure of educational need in the state-local finance plan for Oklahoma should be as simple and as objective as practicable and provide a basis for the equitable distribution of foundation program monies to the public schools of the State.

Basic to a state support program for public schools is the unit of educational need. A review of the literature reveals that such factors as (1) the actual expenditures of the school district for education, (2) the school census, (3) the number of pupils in average daily attendance, (4) the number of pupils in average daily membership, (5) the number of teachers employed, (6) weighted pupil units, (7) the classroom unit and (8) the weighted classroom unit have been used

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[1]Frances G. Cornell and William P. McLure, "The Foundation Program and the Measurement of Educational Need," Problems and Issues in Public School Finance, Proceedings of National Conference of Professors of Educational Administration (New York: Bureau of Publications, Teachers College, Columbia University, 1952), p. 216.

in determining measures of educational need.[1]

Mort originally proposed the derivation and use of a single, all-encompassing unit of educational need. Burke points out that:

> Mort defined the program to be financed as including those elements (mandated or accepted by local action) generally found in schools throughout a state, together with such supplementary undertakings as transportation, necessary . . . to provide the program. Among the elements which generally should be included are kindergartens, elementary schools, high schools, and special classes for the handicapped, including transportation, debt service and capital outlays.[2]

The advantage of the all-encompassing unit is that comparisons of educational expenditures can be easily made, but the disadvantages are found with the difficulties in interpreting the derivation process to legislators, educators and laymen.

McLoone stated in 1965 that:

> There are three major types of weights: those associated with differences among grade levels, those associated with school district size and those associated with the training and experience of teachers.[3]

Munse explained that:

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[1]Arvid J. Burke, Financing Public Schools in the United States, (2nd ed. rev.; New York: Harper & Brothers, 1957), pp. 410-412.

[2]Arvid J. Burke, Financing Public Schools in the United States, (New York: Harper & Brothers, 1950), p. 410.

[3]Eugene P. McLoone, "Pupil Weighting Systems in Use," Trends in Financing Public Education, Proceedings of the Eighth National Conference on School Finance, 1965, (Chicago, Illinois: National Education Association, 1965), p. 57.

"School or district size" used by 29 states, and "pupil grade level," used by 27 states are the weighting factors most often employed. The 19 states checked for "teacher training and experience" indicate that this base is also frequently used.[1]

Morphet recommended that:

Measures of educational need used in arriving at the cost of the program should be as simple, equitable and objective as practicable. They should automatically take into account all cost elements essential to the provision of a like program in all communities, regardless of population density or similar factors. Care should be exercised, however, to avoid including direct or indirect rewards for preserving the status quo, particularly for unjustified small districts and small schools.[2]

Strayer agrees with Morphet as he states that:

The extent of the foundation program should be determined by means of an objective and easily comprehended formula for measuring educational need.[3]

Criterion #3

The state-local finance plan for the support of public education in Oklahoma should include within the foundation

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[1]Albert R. Munse, "Weighting Factors in State Foundation Programs," Trends in Financing Public Education, The Proceedings of the Eighth National Conference on School Finance, April 4-7, 1965, (Chicago, Illinois, 1965), p. 57.

[2]Edgar L. Morphet, "Characteristics of State Support Programs," National Conference of Professors of Educational Administration, Problems and Issues in Public School Finance, (New York: Bureau of Publications, Teachers College, Columbia University, 1952), p. 155.

[3]George D. Strayer, Jr., Guidelines for Public School Finance, Report of a Nationwide Survey of State and Local Finance, National Advisory Committee on School Finance, (Bloomington, Indiana: Phi Delta Kappa, 1963), p. 11. (cited by A. J. Howell, "Equalization as a Factor in Public School Support in Louisiana," (unpublished Ed. D. dissertation, Graduate College, Louisiana State University and Agricultural and Mechanical College, 1965), p. 37.

program provisions for vocational education, speech correction, exceptional children and kindergarten programs.

Mort defined the program to be financed as including:

> Those elements (mandated or accepted by local action) generally found in schools throughout a state, together with such supplementary undertakings as transportation, necessary to provide the program.[1]

Included with these programs were kindergartens, elementary schools, high schools, and special classes for the handicapped, including transportation, debt service, and capital outlays.

The people of Oklahoma through their legislatures have made special provisions for the state support of such programs as speech correction, vocational education, and exceptional children.[2] Kindergarten programs are currently offered in certain school systems which are supported with local revenues and fees. During 1967-68 the average daily attandance of kindergarten children in Oklahoma was 19, 235.[3] An examination of the state support programs for elementary and secondary schools in the nation reveals that twenty-four states provide support for kindergarten programs either with special funds or through equalization programs.

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[1]Burke, op. cit., p. 308.

[2]Oliver Hodge, School Laws of Oklahoma, 1965, (Oklahoma City: The Oklahoma State Department of Education, 1965), p. 85-92.

[3]"Oklahoma Public Schools Original Entries and Total Average Daily Attendance, School years 1967-68." (Oklahoma State Department of Education, Finance Division, July, 1968), p. 1 (mimeographed).

Criterion #4

The state-local support program for education in Oklahoma should include within its foundation program provisions for density factors for city school districts with over 50,000 enrollment and sparsity factors for "small necessary" school districts.

According to Burke, sparsity of population, no matter what the type of district structure, increases expenditure levels for public schools. Transportation, small classes, small pupil-teacher ratios, and other concomitants of sparsity inflate the cost of any public school service. On the other hand, according to Burke, population concentration in cities and population spread in metropolitan areas is accompanied by higher price levels for education.[1]

Hanson utilized James's study of the determinates of educational expenditures. Using multiple regression techniques, James identified eight social and economic characteristics of a district's population that correlate highly with its expenditures for public education. This study then sought to determine the relationship of cost to district size.

The study included data for the 1958-59 school year in a sample of 577 districts situated in nine states, with grades one through twelve enrollment ranging from 1500 to 846,616 pupils. A study of districts enrolling fewer than

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[1]Burke, op. cit., p. 64-65.

1500 was made separately.

Hanson found that:

> The uniform decline in unit costs up to an optimum size, followed by an upswing in costs in most states when the size is exceeded, gives empirical support for the concept of a currilinear relationship between district size and unit costs in public schools.[1]

In every case unit costs continued to decline with increasing district size well beyond 1500 pupils. The median size district where unit costs were lowest was found to be about 50,000 pupils in average daily attendance. Hanson points out that the dimensions of the management function have relevance as a school district increases in size; they are supervision and coordination. The supervisory function has little effect upon unit cost. However, coordination is concerned with adjustments which the organization must make to both environmental and internal changes. This extra cost of coordination rises progressively with increasing size of the school system. As the size of the typical school system approaches 50,000 unit costs tend to increase.

Connecticut was one of the first states to apply the equalization concept in public school finance. A law was passed in 1841 to assure every district $50, which assured every small district an amount to employ a teacher regardless

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[1]Nels W. Hanson, "The Size-Cost Relationship in Public Schools," Trends in Financing Public Education, The Proceedings of the Eighth National Conference on School Finance, April 4-7, 1965, (Chicago, Illinois, 1965), p. 131.

of the number of pupils or amount of taxable wealth.[1] Cubberley found in 1905 that over a fourth of the states had made beginnings toward crude state and county-supported equalization programs for elementary schools.[2] His ideal plan included teacher grants, such as $250 for elementary teachers, $275 for intermediate-grade teachers, $300 for high school teachers, supervisors, and administrative officers, and additional aid for the weakest districts.[3]

Mort in 1925 developed a unit of educational need which involved the number of teachers related to the size of the school district based upon average practice. Norms were developed involving a plan of weighted pupils or classroom units that increased as attendance fell below certain points.[4]

Munse pointed out that 29 states provided weightings for school or district size in 1965,[5] and Mason stated that:

> Although special state aid formulae to provide an additional subsidy for sparsely settled areas have been in operation for a long time, it was not until July, 1962, that a state (New York) put into effect a law containing a correction for density.[6]

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[1]Burke, op. cit., p. 292.

[2]Burke, op. cit., p. 294.

[3]Burke, op. cit., p. 296.

[4]Burke, op. cit., p. 312-313.

[5]Munse, op. cit., p. 57.

[6]Robert E. Mason, "Decline and Crisis in Big-City Education," Phi Delta Kappan, Vol. XLVIII, No. 7, March, 1967, p. 309.

In New York the cost size relationship has been drawn from economic theory applied to business operations. A U-shaped cost curve plotted against size, high for smallest districts at the low end, and high for large districts on the high end. It is assumed that as school districts reach a certain size, increases in variable unit costs begin to more than offset the declining costs, and total unit costs increase.

According to Francis G. Cornell, president of Educational Research Services:

> This U-shaped model is the nearest to a theoretical formulation which would support the size correction. The size correction in New York is irregular. It does not follow such a graduated and smooth trend. Yet some such general theory as this is the only justification for the size correction.[1]

The New York State Department of Education sponsored a study developing cost differential allowance on the basis of a number of variables. Variables considered included U. S. Census statistics such as median school years completed of adult population, per cent of housing units not owner occupied, and per cent of unemployed, as well as measures related to the school operation itself, such as index of underachievement of pupils, and the ratio of high school drop-outs to graduates, pupils per square miles, pupil-teacher

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[1]Francis G. Cornell, "Cost Differentials and District Size in State School Aid," Report Presented at the Tenth National Conference on School Finance of the Committee on Educational Finance of the National Education Association, April 4, 1967, p. 11. (Mimeographed).

ratio and size of district in weighted average daily attendance.

Evidence showed that for New York such variables as underachievement and percentage of unemployed had more to do with the determination of expenditures for schools than size. Multiple regression equations revealed that such variables as per cent of housing not owner occupied, per cent unemployed, per cent handicapped enrollment of total and per cent ratio, dropouts to graduates, all showed high correlations with underachievement. It was concluded that a combination of social and economic and school measures can be developed which appear to be more closely related to educational problems resulting from unusual social and economic conditions in school districts.[1]

Cubberley analyzed property values and Elliot studied non-educational expenditures, but with the development of computers an extraordinary large number of factors or variables may be analyzed. Semour Sacks, Professor of Economics at Maxwell Graduate School of Syracuse University used a limited number of variables, both individually and in combination to examine the educational dimension of large school finance. Those variables examined were: (1) income, (2) the proportion of total population attending public schools,

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[1] Ibid., p. 4.

(3) state aid and (4) metropolitan educational variable.[1]

Sacks used 42 of the largest cities as reported in the 1960 U.S. Census Report. It was concluded that the gap between expenditures in the inner city and outside central city is not a function of the gap in income or enrollment ratios. But it was found that differences in state aid do operate to create a larger gap between central city and outside central city areas.[2]

In 1966, James, Kelly, and Garms selected 107 school districts with over 25,000 enrollment during the 1960 school year for study. The variables used in the study were chosen as presuming to measure one or more of the postulated factors of ability, demand and governmental arrangements.

Ability demand factors dealt with such variables as assessed valuation per ADA, median family income, owner occupied housing, median years of schooling of adult population, percentage unemployed, percentage of population nonwhite, percentage of elementary school students in private schools, ratio of assessed valuation to full values, and the logarithm of total average daily attendance.

A multiple correlation of .84 compared with the

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[1]Semour Sacks, "The Educational Dimension of Large City School Finances in Their Metropolitan Context: A Comparative Analysis." Report presented to the Tenth National Conference on School Finance of Committee on Educational Finance of the National Education Association, St. Louis, Missouri, April 3-4, 1967, p. 14. (Mimeographed).

[2]Ibid., p. 23.

coefficient of .66 for ability demand variables in a Ten-State Study. This indicated that the effect of ability demand upon expenditures is less in the smaller districts predominating the Ten-State Study than in the large school districts of this study.

James and others conclude that:

> This multiple correlation coefficient of .84 indicates that approximately 71 per cent of the variance was explained by these variables which primarily represented ability demand. This left a maximum of 29 per cent of the variance to be explained by governmental arrangements or other factors.[1]

The governmental variables utilized for the study were board appointed or elected, business manager reports directly to the board of education, board selected at large or by wards, tax assessor elected, other agency has authority to reduce board of education's budget, effective state maximum tax rate on levy, and percentage of teachers not on the regular salary schedule.

Erick L. Lindman, Professor of Educational Administration at the University of California at Los Angeles, completed a study in 1964, State School Support and Municipal Government Costs. This study dealt with the municipal overburden problem. It is pointed out that the typical school foundation program is based upon the assumption that costs

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[1]H. Thomas James, James A. Kelly, and Walter I. Garms, Determinants of Educational Expenditures in Large Cities of the United States, (Stanford, California: Stanford University, School of Education, 1966), p. 107.

for municipal operations are equal in each city.

Lindman suggests that:

> Two school districts exert equal effort to support schools from property tax sources if the total local property tax rates for all purposes in the two districts are equal, and if the allocation of the proceeds of these taxes to public schools and to non-school local services are proportional, respectively, to public school attendance, and to total population.[1]

Formulae were derived for allocating local property tax resources between public schools and other local governmental services. Using this method of allocating local property tax resources, a correction factor was derived for use in computing state support for local school systems under typical public school foundation programs.

Data were taken from the 1960 census for all cities of 50,000 or more population and for counties in selected states and the correction factors were computed. Correction factors were also applied in four states: Florida, Illinois, New York, and California to determine how much change would have occured if the correction factors had been used, and to assess the impact of these changes.

It was concluded that:

(1) Variation in the ratio of total population to public school attendance is sufficiently great to

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[1]Erick L. Lindman, State School Support and Municipal Government Costs, A Local Tax Allocation Correction Factor for use in Apportioning State School Funds: Cooperative Research Project No. 2123, (Los Angeles: University of California at Los Angeles, College of Education, 1964), p. 5.

> warrant consideration in the apportionment of public school funds.
>
> (2) The correction factors suggested in this report tend to provide relief primarily for large cities.
>
> (3) Per capita costs of municipal services vary among cities in different population size groups, with higher per capita costs occuring in the larger cities.
>
> (4) On the basis of evidence examined in this report it is not possible to conclude that the proposed correction factor should be used generally in state school support programs . . . perhaps more attention should be given to the use of non property taxes and state support for municipalities, which would reduce the need for the correction factor.[1]

It was during the post World War II period that people began to move to the suburbs. Between 1950 and 1960 our large cities actually lost population. According to Thomas James:

> About one third of the cities with populations over 100,000 declined in size and general decline was evident in the very large cities. Of the cities over a million, only Los Angeles gained population.[2]

While the population of large cities was decreasing the school population was increasing. Housing that was built during the 1930's for small middle and upper income families was being occupied by lower income people with larger families who have sought low cost housing. James points out that:

> Assessed valuation per pupil declined during the past five years in 11 of 14 cities. However, this ratio increased in 8 of the 11 states in which the cities are located.[3]

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[1] Ibid., p. 114-115.

[2] James, Kelly, and Garms, op. cit., p. 3.

[3] James, Kelly, and Garms, op. cit., p. 10.

Two factors complicate the problem of financing the unusual needs of large city school systems, "municipal overburden," or the heavy use of the property tax to finance non-school municipal costs as well as education,[1] and the added costs of school sites, buildings, and operating expenses, and expensive special programs.[2] Benson found that:

> Cities hold within their boundaries undue proportions of physically, mentally, and emotionally handicapped children, for whom intensive care is necessary. City school populations are strongly inclined toward vocational and technical curricula, in contrast to the propensity of children in the suburbs to take college oriented subjects.[3]

The State of New York provided that its six largest city school districts may receive size correction aid calculated at 17½ per cent of the sum of operation expenses aid and growth aid.[4] Benson points out that:

> Urban allowances, density grants and various other schemes to direct extra funds to central-city schools have been adopted or are now under serious consideration in about a dozen states.[5]

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[1]Charles S. Benson, "The Economics of Education in Urban Society," Phi Delta Kappan, Vol, XLVIII, No. 7, March, 1967, p. 317.

[2]Mason, op. cit., p. 309.

[3]Benson, op. cit., p. 316.

[4]"A Guide to Programs of State Aid for Elementary and Secondary Education in New York State," Prepared by the University of the State of New York, The Education Department, Division of Educational Finance, (Albany, New York: The University of the State of New York, January, 1969), p. 21.

[5]Benson, op. cit., p. 318.

Pennsylvania's support program for the support of public schools includes a density factor for each school district which has a population exceeding 10,000 persons per square mile according to the most recent U. S. Census.[1]

As mentioned earlier, Munse found that 29 states include weighting factors in distribution programs for school or district size.[2] Provisions for small schools included in the current school foundation program for Oklahoma are based upon school laws of Oklahoma for 1963 as follows:

> The total number of elementary teachers in any school district on which the state will pay State Aid shall, on the basis of legal average daily attandance for the previous year, be as follows: In school districts having fifteen (15) to twenty-seven (27) pupils, one (1) teacher; twenty-eight (28) to fifty-two (52) pupils, two (2) teachers; fifty-three (53) to seventy-seven (77) pupils, three (3) teachers; seventy-eight (78) to one hundred (100) pupils, four (4) teachers; one hundred one (101) to one hundred twenty-two (122) pupils, five (5) teachers; and school districts having one hundred twenty-two (122) or more pupils, five (5) teachers shall be allowed for the first one hundred twenty-two (122) pupils, and one (1) additional teacher for each twenty-six (26) pupils or fraction thereof to the nearest tenth (10th) provided the district employs such additional teacher or fraction of a teacher . . . .
>
> The total number of teachers in an accredited junior and senior high school as approved by the State Board of Education in any district on which the State will pay state aid shall, on the basis of legal average daily attendance for the previous

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[1]J. R. Rackley, Summarization and Interpretation of Act 580: Pennsylvania's Support to Public Schools, (Harrisburg: The Commonwealth of Pennsylvania, Department of Public Instruction, 1966), p. 3.

[2]Munse, op. cit., p. 57.

> year, be as follows: In school districts having forty (40) to fifty-four (54) pupils, three (3) teachers; fifty-five (55) to seventy-two (72) pupils, four (4) teachers. In school districts having seventy-two (72) or more pupils, four (4) teachers for the first seventy-two (72) pupils and one (1) teacher for each additional twenty-six (26) pupils in average daily attendance, calculating fractions thereof to the nearest tenth (10th).[1]

Criterion #5

The state-local support program for the support of public education in Oklahoma should provide through its foundation program support for administrative and supervisory personnel.

Munse found that sixteen states provide in the foundation program for administrative and supervisory personnel.[2] Morphet stated that most states provide either directly or indirectly for these services.[3]

The State of Ohio includes with its foundation program supervisory classroom units for city and exempted village districts. Supervisory and administrative units are determined as follows:

> The number of supervisory classroom units is determined by dividing the total classroom units allowed by fifty for the first fifty and the excess over the first fifty is divided by one hundred to

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[1]Oliver Hodge, School Laws of Oklahoma, 1963, (Oklahoma City: The Oklahoma State Department of Education, 1963), p. 123-124.

[2]Munse, op. cit., p. 62.

[3]Morphet, op. cit., p. 179.

> determine the number of additional supervisory classroom units . . . . Added to the total number of classroom units allowed is the quotient arrived by dividing the total classroom units allowed by eight. These classroom units are included to recognize the administration and specialized personnel required.[1]

In providing for supervisory and administrative personnel Texas School Law states:

> One supervisor or counselor unit is allowed for the first forty classroom teacher units and one supervisor or counselor unit for each additional fifty classroom teacher units, or major fractional part thereof.
>
> In districts having twenty (20) or more approved teacher units there shall be allotted one (1) full-time principal unit for the first twenty (20) classroom teacher units, and one (1) full-time principal unit for each additional thirty (30) classroom teacher units.[2]

The State of Wyoming provides for administrative, supervisory and special service personnel. Computation of classroom units for such personnel is made by adding the number of classroom units for elementary schools, vocational classes, and special classes and dividing the total by eight.[3] The quotient is the number allowed.

The State of Oklahoma, under the present foundation

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[1]John M. Parsons, The Ohio Law for State Support of Public Schools, (Columbus: Columbus Blank Book Co., 1966), p. 15.

[2]Texas State Teachers Association, Minimum Foundation Laws, A Report Distributed by the Texas State Teachers Association, (Austin: Texas State Teachers Association, 1965), p. 18.

[3]Cecil M. Shaw, Wyoming School Foundation Program, (Cheyenne: Wyoming State Department of Education, 1963), p. 11.

program, provides administrative increments as follows:

> A teacher serving as superintendent shall have State Aid calculated for the term of his or her contract but not to exceed two (2) months in addition to the school term, and shall receive an increment of Three Dollars ($3.00) per month per teacher not to exceed twenty (20) teachers per principal, for the school term.[1]

Criterion #6

Local Boards of Education should be encouraged to maintain quality educational programs by employing well prepared and experienced teachers. The state-local support plan for the support of public education in Oklahoma should include within its foundation program support for the preparation and experience of teachers.

West Virginia passed the first law, in 1882, recognizing teacher preparation in a state support program for education. A minimum of $25 a month for teachers with the highest grade certificate, $20 for the next highest, and $18 for the lowest type of certificate was provided.[2] In 1903 Indiana included with its minimum salary provisions which depended upon scholarship, examination grades and experience.[3]

Burke points out that one of the keys to the adequacy of any state foundation program is the qualifications of the staff recruited and retained under the program.[4] A careful

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[1]Oliver Hodge, School Laws of Oklahoma, 1963, op. cit., p. 122.

[2]Burke, op. cit., p. 335.

[3]Burke, op. cit., p. 336.

[4]Burke, op. cit., p. 310.

examination of the foundation programs for the fifty states reveals that twenty-three states recognize either the preparation or experience of teachers or both in the sharing of educational funds.

The current foundation program for Oklahoma provides for both preparation and experience of teachers. Under the 1963 School Laws each teacher with a Bachelor's Degree was guaranteed a basic salary of $3600, and each teacher with a Master's Degree $3800, and each teacher with a Doctor of Philosophy or Doctor of Education Degree $4000; increments of $100 were added to the basic salary for each year of teaching experience or time spent in military service, not to exceed fifteen years.[1]

Criterion #7

The state-local finance plan for the support of public education in Oklahoma should utilize easily understood and equitable measures of local financial ability.

Mort and Reusser state that:

> Measures of relative ability of school districts are needed in order to assess vigor of local support and to determine an equitable basis for distributing state aid. For these purposes the measure of ability must be in terms of the ability of the community to pay taxes under the tax system as established by the state.[2]

Johns and Morphet describe four possible measures of

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[1]Oliver Hodge, School Laws of Oklahoma, 1963, op. cit., p. 121-122.

[2]Paul R. Mort, and Walter C. Reusser, Public School Finance, (New York: McGraw-Hill Book Co., Inc., 1951,) p. 509.

local ability: equalized valuation, based on partial or actual value of property; assessed valuation determined largely by local policy; a sales-ratio plan supplemented by appraisals, and an index of taxpaying ability.[1] Weaknesses are pointed to with all of these measures, but most state-local support plans require some measure of taxpaying ability at the local level for the distribution of equalization monies. The measure of taxpaying ability is usually applied to the county or school district for equalization purposes.

Morphet lists as a characteristic of a satisfactory foundation program:

> For satisfactory operation of a partnership foundation program in any state, adequate and equitable measures of local financial ability should be developed and used. These should reflect as clearly as possible the potential ability of local school systems to raise funds for school support.[2]

Criterion #8

The state-local plan for the support of public education in Oklahoma should include through its foundation program support for transportation needs.

Morphet reported that forty states provided some support for transportation,[3] and Munse found that twenty one states include allowances for transportation in foundation programs.[4]

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[1]Johns and Morphet, op. cit., p. 165.

[2]Morphet, op. cit., p. 156.

[3]Morphet, op. cit., p. 176.

[4]Munse, op. cit., p. 62.

Johns and Morphet point out that:

> In states in which there is no financial assistance for transportation expense, consolidation of schools tends to be retarded and the least wealthy and most sparsely populated areas are seriously penalized.[1]

State compulsory education laws, mandatory transportation provisions, regulations as to safety of pupils transported, and attempts to secure school consolidation and district reorganization contributed to the search for an equitable method of apportioning transportation assistance.[2] Early attempts by states to aid in the financing of transportation involved matched funds and allowances computed in the foundation program. These methods tended to provide insufficient funds without excessive local tax burdens. According to Burke, after 1925, more refined techniques for determining need for transportation, its costs, and the apportionment of aid became available; Burns developed a technique based upon density of population, and Johns refined this method by taking into account the per cent of total pupils transported, allowing for uninhabited areas and areas in which pupils walk to school, and improving the methods of computing cost allowances.[3]

Morphet cited studies made by the Council of State Governments in 1949 and by Morphet and Lindman in 1950. It was concluded that special provisions must be made for

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[1]Johns and Morphet, op. cit., p. 348.

[2]Burke, op. cit., p. 315.

[3]Ibid., p. 315.

transportation in the state support program if the program is to be equitable and needs are to be met satisfactorily, and that density of transported pupils, with corrections, if necessary, for road conditions, is probably the best single factor to use in determining transportation need and cost.[1]

According to Johns and Morphet, studies made in a number of states show that when appropriate information is available a formula can be devised for determining the density of transported population in each district and assigning the cost per transported pupil in districts with a given density in such a way that there is reasonable equity for all districts.[2]

Oklahoma's present foundation program includes aid for transportation. Transportation allowances are based upon average daily attendance of pupils legally transported and density factors for each school district as calculated by the State Board of Education.[3]

Criterion #9

The state-local finance plan for the support of public education in Oklahoma should encourage local initiative and its foundation program should be considered a minimum beyond

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[1]Morphet, op. cit., p. 177.

[2]Johns and Morphet, op. cit., p. 349.

[3]Oliver Hodge, School Laws of Oklahoma, 1965, op. cit., p. 127.

which the citizens of any local school district may go at their discretion.

Mort proposed that the principle underlying the payment-for-effort idea was sound, but that the financial structure of public education should be such as to stimulate, not hamper, local initiative. Mort stated that:

> The minimum program should be high enough to favor rapid diffusion of proved adaptations, and there should be a considerable number of districts with expenditure levels sufficiently high to provide conditions favorable for experimentation, well trained teachers and supervisors, excellent working materials, free funds, varied special services and small classes.[1]

Burke reports that Mort stressed "adaptability" in financial arrangements and was reluctant to attain equalization at the expense of local initiative. He points out that:

> In attaining equalization he (Mort) at the same time proposed means to strengthen local initiative through adequacy of the foundation level, moderate local tax contributions to the cost of the basic program, preservation of existing aids to wealth districts, repeal of restrictions upon local taxing and budgetary power, and making school government directly responsive to the popular will without restraints by central agents or representative, nonschool, local government.[2]

Morphet stated that:

> The cost of the defined foundation program should represent a major portion of the total school expenditures within the state. It should be as good a program as the people of the state are willing and able to support on a partnership basis. Nevertheless, it should be considered a

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[1] Ibid., p. 207.

[2] Burke, op. cit., p. 345.

> minimum beyond which the citizens of any local school system may go at their discretion.[1]

The Constitution of the State of Oklahoma provides a limitation of 39 mills for the operational function of school districts. Equalization of tax assessments have been slow and school districts that use the revenue from all of the 39 mills must depend upon additional support from the State for expansion of programs, or experimentation and research.

Criterion #10

The state-local finance plan for the support of public education in Oklahoma should include a plan of general purpose incentive aid grants.

The Strayer-Haig type of foundation program represents a minimum educational program, but localities should be free to add as much as they desire and can afford.[2] General purpose incentive aids encourage local districts to enrich programs beyond the minimum level of support, and to expand educational services to meet local needs without encouragement from the State for the development of specific programs.

Cubberley's investigation in 1905 revealed that states were distributing aid on the basis of educational need as measured by the number of children of school age and on the basis of reward for effort made by communities in carrying

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[1]Morphet, op. cit., p. 155.

[2]Burke, op. cit., p. 445.

on special features of their educational programs.[1] It is now recognized that such special purpose incentive aids represented efforts on the part of the State or influential groups to determine the specific purposes or phases of the educational program which should be encouraged and to promote those purposes through the use of special funds.[2]

Johns and Morphet describe ideas for incentive programs that have been proposed from time to time:

> (1) that an additional $5 per pupil be made available to any district which levies a tax of at least one mill beyond a designated rate;
>
> (2) that an appropriation be made to provide for the extra costs of educating handicapped children but that these funds be made available only to districts that match them on a 50-50 basis;
>
> (3) that a special fund be made available to districts to provide for smaller pupil-teacher ratios in science classes, provided any district participating in the funds be required to make a one mill levy over and above that made for the regular program;
>
> (4) that a fund be established for use in reimbursing districts for 25 per cent of the cost of providing driver education including behind-the-wheel training.

The conflict between the Strayer-Haig equalization proposal and special aids reveals two theories concerning how state funds should be utilized for the betterment of education. Burke strongly favored special aids as a means

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[1]Mort and Reusser, op. cit., p. 37.

[2]Johns and Morphet, op. cit., p. 264.

[3]Johns and Morphet, op. cit., p. 259.

of promoting special concerns in particular phases of education. About twenty years after Strayer and Haig analyzed special aids the Burke Principle was developed:

> Special aids, sufficient in amount to pay the total cost of the special phase of education to be favored, make the new phase available as readily to the poor communities as to the able and thus circumvent the Strayer and Haig objection.[1]

In a few states such as Wisconsin, Rhode Island and New York there has been experimentation with incentive aids consisting of general purpose grants.[2] This type of incentive aids plan encourages local initiative as state funds are matched with local revenues that are provided beyond the guaranteed program. These grants are distributed to school districts based upon local wealth.

The Advisory Commission on Intergovernmental Relations recommended in 1967 that the maximum level for local and state support should be $1000 per pupil in average daily membership. In this suggested model program it was proposed that the last 50 per cent of this total be raised from state and local sources on the basis of an incentive aids program.[3]

The state aid program for the public schools of Oklahoma now includes provisions for a general purpose incentive

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[1]Mort, Reusser, and Polley, op. cit., p. 279.

[2]Jesse Burkhead, Public School Finance, (Boston: Allyn and Bacon, Inc., 1962), p. 361.

[3]Larry Gene Burdick, "A Distribution Program for State Support of Current Expense for Public Education in Oklahoma," (unpublished Ed. D. dissertation, Graduate College, Oklahoma State University, 1967), p. 90.

aid plan. The plan is described as follows:

> As an incentive to the local school districts to provide local support for enriched educational opportunities for children over and above the Foundation Level of Support, there shall be approportioned to each school district in the state sums of money to be known as Incentive Aid, which are in addition to the Foundation Program Aid, determined as follows:
>
> To all school districts an amount of money equal to Twenty-five Dollars ($25.00) multiplied by the legal average daily attendance of the previous year of such district, provided the school district levies a levy of five (5) mills as provided under Section 9 (d), Article X of the Oklahoma Constitution. Provided, school districts which levy less than five (5) mills of the authorized levy shall receive Five Dollars ($5.00) per child for each full mill levied.[1]

The 1968 Legislature provided that:

> To all school districts an amount of money equal to Fifty-two Dollars ($52.00) multiplied by the legal average daily attendance of the previous year of such district, provided the school district levies a levy of five (5) mills as provided under Section 9 (d), Article X of the Oklahoma Constitution. Provided that for the school year 1969-70 the Incentive Aid shall be Seventy-two Dollars ($72.00); provided, further, that for the school year 1970-71 and thereafter, the incentive aid shall be Ninety-two Dollars ($92.00).[2]

Criterion #11

The state-local finance plan for the support of the public schools of Oklahoma should include state aid for school buildings.

At the present time all expenses for the construction

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[1]Oliver Hodge, School Laws of Oklahoma, 1965, (Oklahoma City: The Oklahoma State Department of Education, 1965), p. 125.

[2]Oklahoma, Session Laws (1968), Chapter 48, Sec. 3.

of school buildings in Oklahoma are provided either through local bond issues which are financed with local taxes, or with federal monies through Public Law 815.

According to Barr and Wilkerson, however, Updegraff proposed as early as 1922 a varying percentage of state support of capital outlay related to actual cost and local tax paying ability.

Barr and Wilkerson point out that:

> Mort suggested the possibility of capital outlay support as a fixed percentage of current expenditures. Adams in 1928 recommended depreciation, local tax paying ability, and uniform local tax effort as components of a state capital outlay program for Kentucky. Grossnickle tested Mort's hypothesis in New Jersey in 1931, concluding that debt service was 14 per cent of current expenditures. Weller in 1940 favored a standard unit of housing, average cost, and attendance as components of a state formula for capital outlay support. Postwar concepts, such as Lindman's equalized matching formula and Barr's index of capital need and tax paying ability, played a major part in the development of state support programs for capital outlay following World War II.[1]

Barr and Wilkerson also report:

> By 1964-65, 40 states had participated in some manner in aiding localities to pay for school buildings. Seven states provided for support for capital outlay in their foundation programs. (Alabama, Florida, Georgia, Hawaii, Kentucky, New Jersey, and New York).[2]

Strevell and Burke suggest that:

> Equalization aid should be based upon total expenditures for an educational program rather than upon

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[1]W. Montford Barr and William R. Wilkerson, "State Participation in Financing Local Public School Facilities," Trends in Financing Public Education, The Proceedings of the Eighth National Conference on School Finance (Chicago, Illinois, April 4-7, 1965), p. 224.

[2]Ibid., p. 230.

> current expenditures alone as is generally the case. Funds not needed immediately for capital outlays or debt service should be credited to the district in a state building-reserve fund to be drawn upon as needed.[1]

Williamson pointed out in his dissertation in 1964 that:

> Grossnickle's 1931 estimate of 14 per cent of current operating costs as a reasonable allowance for capital outlay is probably a conservative figure for today's school buildings and equipment needs.[2]

A school housing aid ratio is calculated in computing state aid for the public schools of Rhode Island as follows:

> From (A) the number of resident pupils in average daily membership in grades one through twelve for the state fiscal year next preceding that in which aid is to be paid multiplied by three hundred fifty dollars ($350), deduct (B) the yeild of a thirteen dollars and twenty-eight cents ($13.28) tax per thousand dollars of equalized assessed valuation, and (C) the ratio that the resultant figure bears to the computation in (A) shall be the school housing aid ratio; provided, however, that in no case shall the ratio be less than thirty (30) per cent.[3]

Rhode Island uses the percentage equalization type of foundation program approach in financing public schools which includes state aid for school housing. One-twentieth

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[1]Wallace H. Strevell and Arvid J. Burke, Administration of the School Building Program (New York: McGraw-Hill Book Co., 1959), p. 336.

[2]Arthur Robert Williamson, "A Fiscal Rationale for the Public Schools in Ohio," (unpublished Ph. D. dissertation, The University of Illinois, 1964), p. 34.

[3]"An Act to Provide a Comprehensive Foundation and Enhancement State Aid Program for Education," Prepared by Rhode Island State Department of Education, (Providence, Rhode Island, May, 1964), p. 4. (Mimeographed).

of the cost of each new school housing project certified to the commissioner not later than January 15th of the fiscal year and an equal amount for each of the next nineteen years times the school housing aid ratio makes up the state aid for school housing for each district.

Criterion #12

The level of financial support for the state-local finance plan for the support of public education in Oklahoma should be developed in terms of an adequate educational program and resources available.

Benson points out that the support level of the foundation program of the state local support plan is usually based upon (a) the cost of implementing state mandated minimum requirements, or (b) the level of expenditure in districts of average income (on assumption that such a figure represents consensus on what an adequate amount of education costs), or (c) the average level of expenditure over the whole state (as a convenient figure).[1] Burke explains that Mort defined the costs of the foundation program as the average expenditure per unit for each element in districts of average wealth in a state, but Mort departed from this concept in his later writings as he placed stress on adequacy of returns for money spent. Mort concluded that cost allowances should be determined from the kind of education obtainable at given cost

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[1]Charles S. Benson, The Economics of Public Education, (Boston: Houghton Mifflin Co., 1961), p. 210.

levels and the fiscal ability of the state as a whole.[1]

Morphet points out that:

> The definition of the foundation program in terms of costs should be such as to assure, insofar as practicable, a suitable level of educational opportunity in the state. While the program must necessarily be projected in terms of the resources available, it should be considered and planned as a step toward an adequate program.[2]

Summary

The purpose of this chapter was to present the criteria for a state-local finance plan for the support of public education in Oklahoma which were developed from the study of the literature in the field of Public School Finance, and from an analysis of conditions affecting the financing of elementary and secondary education in Oklahoma.

The criteria, as determined, are stated below:

> Criterion #1: The state-local finance plan for the support of the public schools of Oklahoma should include a Strayer-Haig type of foundation program. This partnership plan should permit the degree of local control necessary for school districts to meet the educational needs of their communities and provide the encouragement and opportunity for quality educational programs.

> Criterion #2: The unit of measure of educational need in the state-local finance plan for Oklahoma should be as simple and as objective as practicable and provide a basis for the equitable distribution of foundation program monies to the public schools of the State.

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[1]Arvid J. Burke, Financing Public Schools in the United States (New York: Harper and Brothers, 1957), p. 450.

[2]Morphet, op. cit., p. 155.

Criterion #3: The state-local finance plan for the support of public education in Oklahoma should include within the foundation program, provisions for vocational education, speech correction, exceptional children and kindergarten programs.

Criterion #4: The state-local support program for education in Oklahoma should include within its foundation program provisions for density factors for city school districts with over 50,000 average daily membership and sparsity factors for "small necessary" school districts.

Criterion #5: The state-local support program for the support of public education in Oklahoma should provide through its foundation program support for administrative and supervisory personnel.

Criterion #6: Local boards of education should be encouraged to maintain quality educational programs by employing well prepared and experienced teachers. The state-local support plan for the support of public education in Oklahoma should include within its foundation program support for the preparation and experience of teachers.

Criterion #7: The state-local finance plan for the support of public education in Oklahoma should utilize easily understood and equitable measures of local financial ability.

Criterion #8: The state-local plan for the support of public education in Oklahoma should include through its foundation program support for transportation needs.

Criterion #9: The state-local finance plan for the support of public education in Oklahoma should encourage local initiative and its foundation program should be considered a minimum beyond which the citizens of any local school district may go at its discretion.

Criterion #10: The state-local finance plan for the support of public education in Oklahoma should include a plan of general purpose incentive aid grants.

Criterion #11: The state-local finance plan for the support of the public schools of Oklahoma should include State Aid for school buildings.

Criterion #12: The level of financial support for the state-local finance plan for the support of public education in Oklahoma should be developed in terms of an adequate educational program and resources available.

The criteria for the development of a state-local finance plan for the support of elementary and secondary education in Oklahoma point to the need for a foundation program, incentive aid program and aid to school buildings, with the major portion of state funds distributed through the foundation program.

Chapter IV will present the proposed state-local finance plan for the public schools of Oklahoma, and a procedure for the implementation of the plan for the distribution of state monies for the support of public education in the State.

CHAPTER IV

THE PROPOSED PLAN AND THE PROCEDURE FOR ITS IMPLEMENTATION

This chapter will present the proposed plan as developed from the criteria identified in Chapter III, and illustrate the procedure for implementing the plan by applying it to a sample Oklahoma school district.

The formula and the procedure for its use are shown in Figure 1. The key explaining the variables used in the formula is shown in Figure 2. The data for the sample district used in the procedure illustrated in Figure 1 are given in Appendix A. The work sheet showing the method used in calculating the incremental steps is shown in Appendix C.

The method used in determining the average daily membership for the sample school district is shown in Item 1, Figure 1. Average daily membership figures for the school districts of Oklahoma were not available for the school year 1967-68, but estimates of average daily membership were made by increasing average daily attendance figures by 4 per cent.

Kindergarten average daily membership estimates were determined by increasing average daily attendance of the first

Figure 1.-Procedure for Calculating State Support for Sample School District, 1967-68.[1]

1. Begin with ADM = Sum of

   A. ADM, 1967-68 (Grades 1-12) calculated at 104 per cent of ADA

      ADA X CR-1 = ADM

      $\frac{2489}{\text{ADA}} \times \frac{1.04}{\text{CR-1}} =$ $\frac{2588.56}{\text{ADM (1-12)}}$

   B. Estimated Kindergarten ADM, 1967-68, calculated at 1/2 of 104 per cent of first grade ADA

      ADA (1st Gr.) X CR-1 X CR-2 = ADM (Kg.)

      $\frac{278 \times \frac{1.04}{\text{CR-1}}}{\text{ADA (1st Gr.)}} \times \frac{.5}{\text{CR-2}}$ $\frac{144.56}{\text{ADM (Kg.)}}$

   C. Total ADM, 1967-68 (ADM 1-12 + ADM Kg.) = $\frac{2733.12}{\text{Tot.ADM (K-12)}}$

2. Add Weightings for Special Education Classes

   A. Enrollment (1967-68), full time classes X 1.00

      Sp.Ed.Enr. X SEW = Wt.Sp.Ed.Enr.

      $\frac{14.00}{\text{Sp.Ed.Enr.}} \times \frac{1.00}{\text{SEW}} =$ $\frac{14.00}{\text{Wt.Sp.Ed.Enr.}}$

   B. Enrollment (1967-68), Speech Correction Classes X 0.25

      Sp.Cor.Enr. X SCW = Wt.Sp.Cor.Enr.

      $\frac{155}{\text{Sp.Cor.Enr.}} \times \frac{0.25}{\text{SCW}} =$ $\frac{38.75}{\text{Wt.Sp.Cor.Enr.}}$

[1]The Key to the terms used in the procedure will be found in Figure 2, beginning on Page 94.

Figure 1--Continued

C. Total Special Education Weightings

Wt.Sp.Ed.Enr. + Wt.Sp.Cor.Enr. = Total Sp. Ed. Wt.

$\frac{14.00}{\text{Wt.Sp.Ed.Enr.}} + \frac{38.75}{\text{Wt.Sp.Cor.Enr.}} = \frac{52.75}{\text{Tot.Sp.Ed.Wt.}}$

3. Total Weighted Pupil Units (WPU)

A. Total ADM (K-12) + Total Sp.Ed.Wt. = WPU

$\frac{2733.12}{\text{ADM (K-12)}} + \frac{52.75}{\text{Sp.Ed.Wt.}} = \frac{2785.87}{\text{WPU}}$

4. Number of Classroom Units Allowed CRU

A. Divide WPU by District Ratio Factor RF*

$\frac{2785.87}{\text{WPU}} \div \frac{25}{\text{RF}} = \frac{111.43}{\text{CRU's}}$

*See Appendix "B"

5. Add Allowances for Vocational Teachers

A. Number of Full Time Vocational Teachers X 0.5 = CRU's

$\frac{1.50}{\text{Vocational Teachers}} \times \frac{0.5}{\text{VEW}} = \frac{0.75}{\text{Voc. CRU's}}$

6. Number of Certified Employees Allowed (NA)

A. CRU's + Voc. CRU's = NA

$\frac{111.43}{\text{CRU's}} + \frac{0.75}{\text{Voc. CRU's}} = \frac{112.18}{\text{NA}}$

7. Calculation of Incremental Steps (See Appendix "C")

A. Preparation Steps (PS) = $\frac{108.00}{\text{PS}}$

B. Experience Steps (ES) = $\frac{887.989}{\text{ES}}$

C. Total Incremental Steps: (S) =

PS + ES = S

Figure 1--Continued

C. (Continued)

$\frac{108}{PS} + \frac{887.989}{ES} = \frac{995.989}{S}$

D. Average Steps: (AS)

S ÷ N* = AS

$\frac{995.989}{S} \div \frac{106.672}{N^*} = \frac{9.34}{AS}$

*Number of Certified Employees, 1967-68

8. Calculation of Basic Foundation Program (BFP)

A. Formula: N^* or NA^* X [(AS X I) + B] = BFP

$\frac{106.672}{N} \times \left[\left(\frac{9.34}{AS} \times \frac{\$100}{I}\right) + \frac{\$7783}{B}\right] = \frac{\$929,860.00}{BFP}$

*Whichever is smaller

9. Calculation of Supplemental Foundation Program

A. Aid to Large School Districts = ALS

ADM^* X SSAL = ALS

*Only School Districts with over 50,000 ADM

B. Supplemental Transportation Support = (STS)

BTS X TCAR = STS

$\frac{\$17,700}{BTS} \times \frac{2}{TCAR} = \frac{\$35,400.00}{STS}$

C. Total Supplemental Foundation Program (SFP)

ALS + STS = SFP

$\frac{00}{ALS} + \frac{\$35,400}{STS} = \frac{\$35,400.00}{SFP}$

10. Total Foundation Program

A. BFP + SFP = FP

Figure 1--Continued

A. (Continued)

$929,860.00 (BFP)	+	$35,400.00 (SFP)	=	$965,260.00 (FP)

11. Calculation of Foundation Program Income (FPI)

A. Formula: CSL X MF X CV = FPI

.029 (CSL)	X	.7395 (MF)	X	$30,118,312 (C.V.)	=	$645,902.00 (FPI)

12. Calculation of Foundation Program Aid (FA)

A. Formula: FP - FPI = FA

$965,260 (FP)	-	$645,902 (FPI)	=	$319,358.00 (FA)

13. Calculation of Incentive Aid (IA)

A. Formula: ADM X IASL X IL = IA

2733.12 (ADM (Kg. - 12))	X	$5.00 (IASL)	X	10 (IL)	=	$136,656.00 (IA)

14. Calculation of State Building Aid (SBA)

A. Formula: FA X SBASR = SBA

$319,358 (FA)	X	0.14 (SBASR)	=	$44,710.00 (SBA)

15. Total State Support = TSS

A. Formula: FA + IA + SBA = TSS

$319,358 (FA)	+	$136,656 (IA)	+	$44,710 (SBA)	=	$500,724.00 (TSS)

Figure 2.-Key to Procedure for Using Formula

ADA = Average daily attendance for preceding year.

ADM = Average daily membership of preceding year. Calculated as 104 per cent of ADA of preceding year.

CR = Conversion ratio

CR-1 = 1.04, ratio of ADM to ADA
CR-2 = .5, ratio of kindergarten ADA to first grade ADA

W = Weightings

SEW = 1.00, Special education weighting
SCW = 0.25, Speech correction weighting
VEW = 0.50, Vocational education weighting

WPU = Weighted pupil units = Sum of:

(1) ADM preceding year of grades 1-12.

(2) Kindergarten ADM preceding year X 0.50.

(3) Approved Special Education Classes:

(a) Enrollment current year in full time approved classes X 1.00.
(b) Enrollment current year in speech correction classes X 0.25.

N = Number of certified employees, current year.

NA = Number of certified employees allowed in computing state shared support = sum of:

(1) WADM ÷ RF

(2) Number of full time vocational teachers X 0.5.

RF = District Ratio Factor. The pupil-teacher ratio to be applied in determining the number of teachers allowed in accordance with the ADM of the district. (See Appendix "B")

E = Total number of years of teaching and/or administrative experience of instructional staff. Tested using 12 as the maximum number of years of experience for teachers with Bachelor's Degree and 15 as the maximum number of years of experience for teachers with Master's and Doctor's Degrees. (See Appendix "C")

Figure 2--Continued

NM = Number of teachers with Master's Degrees.

ND = Number of teachers with Doctor's Degrees.

I = Amount of each increment in dollars. (Tested at $100)

S = Total number of incremental steps = PS + ES.

PS = Preparation Steps = (NM X 3) + (ND X 6).

ES = Total number of years of experience as calculated according to "E" above.

AS = Average number of incremental steps = S ÷ N.

B = Support base = salary factor + maintenance, operation, and supplies factor. (Tested at $6258 + $1525 = $7783.)

BFP = Basic Foundation Program
Formula: $\boxed{\frac{N^*}{NA^*}} \times \boxed{(AS \times I) + B} = BFP$

*Whichever is smaller

SFP = Supplemental Foundation Program = ALS + STS.

(1) ALS = Large School Support, for school districts with over 50,000 ADM.

LSSAL = $25, Large School Supplemental Aid

(2) STS = Supplemental Transportation Support

BTS = Basic Transportation Support
(Tested at support received for transportation, 1967-68)

TCAR = 2, Transportation Cost Adjustment Ratio

FP = Foundation Program = BFP + SFP.

CV = County Net-Assessed Valuation of Taxable Property.

CSL = County Support Level (Tested at 29 mills)

FPI = Foundation Program Income = Total revenue derived from a levy of 29 mills times net-assessed county valuation multiplied by MF.

FA = Foundation Aid = FP less FPI.

Figure 2--Continued

IL = Incentive Levy = Number of mills levied in excess of 29. (Tested at 10 mills)

IASL = Incentive Aid Support Level. (Tested at $5.00)

IA = Incentive Aid. Formula: ADM X IASL X IL = IA

SBASR = School Building Aid Support Ratio. (Tested at .14)

SBA = School Building Aid. Formula: FA X SBASR = SBA.

TSS = Total State Support = FA + IA + SBA = TSS

grade by 4 per cent and multiplying this figure by .5, since kindergarten programs are regularly conducted on a half day basis.

Item 2, Figure 1, shows the calculation of additional weightings for students enrolled in special education and speech correction classes. Enrollment in full time special education classes is given a weighting of 1.00 and enrollment in speech correction classes a weighting of 0.25.

Total average daily membership and additional weightings were added to determine total weighted pupil units as shown in Item 3.

As shown in Item 4, the total number of weighted pupil units is divided by the district's ratio factor to ascertain the number of classroom units allowed under the foundation program, not including additional units allowed for vocational programs.

The number of full time vocational teachers for which

the district qualified under approved vocational programs was given a weighting 0.5 (Item 5), and the number of classroom units allowed was increased by this amount (Item 6), to arrive at the total number of certified employees allowed for support under the foundation program.

The calculation of the incremental steps is given in Item 7, Figure 1, and is shown in detail in Appendix C. The number of preparation steps equals the number of professional personnel with the Master's Degree multiplied by 3, plus the number of professional personnel with the Doctor's Degree multiplied by 6. The formula is: (NM X 3) + (ND X 6) = PS. The number of experience steps (ES) was calculated by adding the number of years of experience of professional personnel with the Bachelor's Degree, with a maximum of 12 years for each person; and the number of years of experience of professional personnel with the Master's and Doctor's Degree, with a maximum of 15 years for each person. The total number of steps (S) was found by adding the number of preparation steps (PS) and the number of experience steps (ES). The formula is: PS + ES = S. The average number of steps (AS) was found by dividing the total number of steps (S) by the number of professional personnel employed. The formula for this calculation is: S ÷ N = AS.

Item 8, Figure 1, shows the application of the Basic Foundation Program formula to the sample district: N X [(AS X I) + B] = BFP. The plan was tested giving "I" a value of

$100, and using a support base figure of $7,783. The support base of $7,783 included a salary factor of $6,258, a maintenance and operations factor of $1,025, and a supplies factor of $500.

The calculation of the Supplemental Foundation Program is shown in Item 9, Figure L. Since the sample school district had an ADM of less than 50,000, it did not qualify for the large school aid of $25 per ADM under the proposed plan. Transportation aid was calculated at twice the amount for which the district qualified under the existing program.

The Total Foundation Program (FP), was determined by adding the Basic Foundation Program (BFP) and the Supplemental Foundation Program (SFP), as shown in Item 10.

The calculation of the Foundation Program Income (FPI) is shown in Item 11, Figure 1. The district's contribution to the support of its Foundation Program was found by calculating the yield of an ad valorem tax levy of 29 mills on the net assessed valuation of the county, and deriving the district's share by multiplying the county yield by the district's Membership Factor which is the ratio of the district's ADM to the county's ADM.

The calculation of the Foundation Aid for which the district qualified is shown in Item 12. According to the formula, Foundation Aid is found by subtracting the Foundation Program Income from the Foundation Program.

The calculation of the district's Incentive Aid [illegible]

shown in Item 13. The formula for this calculation is: IA = ADM X $5.00 X IL. The number of mills of the Incentive Levy used in this calculation was 10, the maximum presently available to local school districts under limits set by the constitution of the State.

Item 14 shows the calculation of state Building Aid. The amount of state aid to school districts for school buildings under the proposed plan is determined by multiplying the amount of Foundation Aid by 0.14.

Total state support for the sample school district, as shown in Item 15 is the sum of the Foundation Aid, Incentive Aid. and Building Aid.

Under the 1967-68 state-local support plan revenues that were chargeable to the foundation program as local income included (1) monies derived from a 15 mill levy times the assessed valuation of the school district, after allowing a 10 per cent deduction for delinquent taxes, (2) the full amount collected from county apportionment, (3) intangible tax, (4) transfer fees. (5) auto license and farm truck tax collections. (6) 75 per cent of the amount received by the county from the county 4 mill levy, (7) the actual collection from gross production taxes, (8) rural electrification taxes and (9) income from school lands, distributed on the basis of school census.[1]

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[1]Oklahoma Constitution. Article 10. Sec. 6A. January

Under the proposed plan, the local chargeable income would consist of the district's share, allocated on the basis of average daily membership, of the revenue from a 29 mill levy on the net assessed valuation of the county. All constitutional provisions governing mill levies for school purposes would be repealed, leaving to the legislature the responsibility for establishing the taxing authority of local districts, and determining the contribution which the local district should make toward the support of the foundation program.

Income from county apportionment and transfer fees would remain with the local district as non-chargeable income. The sending school district would pay the receiving district in transfer fees an amount per ADM for transferred pupils, equal to the current expense, per ADM of the receiving distict, less foundation aid and incentive aid per ADM received by the receiving district.

Federal monies received under the provisions of Public Laws 874 and 815 would remain with the local school district as non-chargeable income to be used for enrichment purposes.

Summary

This chapter has presented the proposed plan with a procedure for its implementation. A key was included to explain the variables that were used in the plan and procedure. Chapter V will include the testing and evaluation of the plan.

CHAPTER V

THE TESTING AND EVALUATION OF THE PROPOSED PLAN

The purposes of this chapter were to test the plan, to illustrate the effects of its implementation, to determine the approximate costs in state monies for its implementation, and to evaluate the plan in terms of the criteria that were identified in Chapter III.

The Testing of the Plan

The testing of the proposed plan consisted of two parts, "Selection of the sample school districts," and "Application of the proposed plan."

Selection of the Sample School Districts

Since it was not feasible to secure data from all of the 513 school districts in Oklahoma offering either a K-12 or 1-12 program during 1967-68 (the latest year for which complete data were available), the proposed state-local support program was tested utilizing data from a selected sample of 63 districts.

The sample included school districts from 62 of the 77 counties of the State and was chosen to assure adequate

representation of the different size and wealth categories. Size and wealth categories of the sample school districts are shown in Figure 3. The sample represents 54.9 per cent of the average daily membership and 50.25 per cent of the net assessed valuation of the school districts in Oklahoma for the school year 1967-68.

Since the plan provides special aid to school districts with over 50,000 average daily membership, the two largest school districts, Oklahoma City and Tulsa, were included to illustrate the effects of the large school aid provisions of the plan.

The selected school districts and their respective wealth and size classifications are shown in Figure 4. The extreme range in wealth among the districts should be noted. Gage had a valuation of $16,596 per pupil in ADM, as compared with Boley's valuation per ADM of only $763. The range in size of the selected districts was from 154 ADM for Gage to 75,041 for Tulsa.

Average daily membership for the selected sample districts, as reported in Figure 4, includes estimates for kindergarten programs.

Application of the Proposed Plan

The purpose of the application of the proposed plan to the selected sample school districts was to illustrate the effects on districts of different sizes and wealth, and to determine the approximate cost of implementing the program in the State.

Figure 3.-Size and Wealth Categories of Selected School Districts

Size ADM-1967-68	Wealth Valuation Per ADM-1967-68				
	(1) $6,000 and Higher	(2) $4,000 to $5,999	(3) $2,500 to $3,999	(4) $2,499 and Lower	Totals
10,000 and Over (1)	1	1	1	1	4
7,500 to 9,999 (2)	1	2	1	0	4
3,000 to 7,499 (2)	1	2	8	0	11
1,500 to 2,999 (4)	1	5	6	1	13
500 to 1,499 (5)	3	9	6	4	22
0 to 499 (6)	3	2	1	3	9
Totals	10	21	23	9	63

Figure 4.-School Districts Included in the Sample, Showing Wealth and Size Classifications, Average Daily Membership and Net Assessed Valuation Per Pupil in Average Daily Membership, 1967-68.

School District	Wealth Classification		Size Classification	
	Category	Valuation Per ADM	Category	Average Daily Membership
Gage	1	$16,596	6	154
Pond Creek	1	12,690	6	296
Boise City	1	11,507	5	673
Alva	1	9,316	5	1,385
Buffalo	1	9,218	6	494
Tulsa	1	7,302	1	75,041
Ponca City	1	6,699	3	6,972
Guyman	1	6,648	4	2,207
Sayre	1	6,617	5	839
Bartlesville	1	6,142	2	8,424
Cheyenne	2	5,986	6	305
Taloga	2	5,963	6	177
Oklahoma City	2	5,953	1	69,773
Ada	2	5,749	4	2,545
Woodward	2	5,734	4	2,733
Hobart	2	5,654	5	1,222
Perry	2	5,577	5	1,249
Mangum	2	5,280	5	996
Miami	2	5,166	3	3,216
Enid	2	5,132	2	9,606
Stillwater	2	4,598	3	4,357
Watonga	2	4,586	5	1,074
Hollis	2	4,580	5	917
Coalgate	2	4,542	5	618
Clinton	2	4,485	4	2,300
Guthrie	2	4,465	4	2,676
Walters	2	4,456	5	,847
Pryor	2	4,431	4	2,287
Norman	2	4,258	2	8,103
Maysville	2	4,204	5	622

Figure 4--Continued

School District	Wealth Classification		Size Classification	
	Category	Valuation Per ADM	Category	Average Daily Membership
Pawhuska	2	$4,063	5	1,268
Frederick	3	3,970	4	1,566
Duncan	3	3,951	3	4,772
Marietta	3	3,904	5	697
Terral	3	3,893	6	242
Muskogee	3	3,803	2	9,479
Purcell	3	3,657	5	1,033
Holdenville	3	3,564	5	1,314
Chickasha	3	3,556	3	3,400
Beaver	3	3,380	5	682
Ardmore	3	3,372	3	4,792
Seminole	3	3,357	4	1,711
El Reno	3	3,341	4	2,808
Okmulgee	3	3,269	3	3,756
Durant	3	3,092	4	2,318
Shawnee	3	2,854	3	4,635
Anadarko	3	2,772	4	2,075
Antlers	3	2,763	5	1,003
Claremore	3	2,734	4	2,356
Altus	3	2,729	3	5,658
Sapulpa	3	2,697	3	4,393
Eufaula	3	2,567	5	1,035
McAlester	3	2,566	3	4,261
Midwest City	3	2,517	1	17,705
Boswell	4	2,476	6	489
Heavener	4	2,338	5	782
Lawton	4	2,311	1	20,621
Keota	4	2,121	5	524
Jay	4	1,998	5	1,231
Watts	4	1,990	6	283
Tahlequah	4	1,769	4	2,460
Valliant	4	1,752	5	754
Boley	4	763	6	408
For the Sample Districts		$5,099		322,619

Foundation Aid

The amount of local support and the amount of state support for each of the sample school districts under the foundation program component of the proposed plan were calculated and the results are shown in Figure 5. The total amount of the foundation program for the 63 selected school districts was $123,720,971, with the local districts contributing $53,847,256 and the State contributing $69,873,715.

Figure 6 shows the per pupil amount of local and state support, and the percentages of local and state support for each of the selected school districts, and for the total sample. It should be noted that for the total sample, the foundation program provides a level of support equal to $384 per pupil in average daily membership, with $166 or 44 per cent provided locally and $218 or 56 per cent provided by the State. An examination of the amounts and percentages for individual districts reveals that the proportion of state support is related to the wealth of the district.

The percentage that the state support is of the total foundation program for individual districts ranges from 90 per cent for Watts to none for Alva, Beaver, Buffalo, and Guymon.

It is significant that Beaver had a net-assessed valuation of $3,380 per ADM, but received no state aid under the provisions of the foundation program. This school district has 43 per cent of the average daily membership of the county,

Figure 5.-Local and State Support Under the Foundation Program Component of the Proposed Plan, 1967-68.

School District	Valuation Per ADM	Local Support-District's Share of Yield from 29 Mills County Levy	State Support	Total Local-State Support
Gage	$16,596	$ 61,873	$ 13,754	$ 75,627
Pond Creek	12,690	144,710	2,992	147,702
Boise City	11,507	301,576	26,060	327,636
Alva	9,316	596,798	0	596,798
Buffalo	9,218	242,983	0	242,983
Tulsa	7,302	15,783,010	13,249,704	29,032,714
Ponca City	6,699	1,520,861	1,039,117	2,559,978
Guyman	6,648	832,077	0	832,077
Sayre	6,617	178,732	211,210	389,942
Bartlesville	6,142	1,471,479	1,640,323	3,111,802
Cheyenne	5,986	68,721	84,099	152,820
Taloga	5,963	58,768	27,976	86,744
Oklahoma City	5,953	10,879,430	16,110,444	26,989,874
Ada	5,749	413,130	540,454	953,584
Woodward	5,734	645,902	367,147	1,013,049
Hobart	5,654	299,455	191,161	490,616
Perry	5,577	333,226	154,033	487,259
Mangum	5,280	149,620	275,977	425,597
Miami	5,166	425,484	774,296	1,199,780
Enid	5,132	1,884,607	1,641,376	3,525,983
Stillwater	4,598	710,799	934,339	1,645,138
Watonga	4,586	249,541	212,989	462,530
Hollis	4,580	139,776	262,295	402,071
Coalgate	4,542	92,011	226,960	318,971
Clinton	4,485	455,002	407,920	862,922
Guthrie	4,465	532,163	514,350	1,046,513
Walters	4,456	136,072	243,156	,379,228
Pryor	4,431	240,499	636,596	877,095
Norman	4,258	929,552	2,032,153	2,961,705
Maysville	4,204	100,757	188,251	289,008
Pawhuska	4,063	272,513	229,797	502,310
Frederick	3,970	288,351	288,488	576,839
Duncan	3,951	684,578	1,082,465	1,767,043
Marietta	3,904	95,383	227,858	323,241
Terral	3,893	52,755	66,266	119,021

Figure 5--Continued

School District	Valuation Per ADM	Local Support-District's Share of Yield from 29 Mills County Levy	State Support	Total Local-State Support
Muskogee	$ 3,803	$1,224,459	$2,313,823	$3,538,282
Purcell	3,657	133,972	269,878	403,850
Holdenville	3,564	170,552	363,412	533,964
Chickasha	3,556	549,925	758,186	1,308,111
Beaver	3,380	506,188		506,188
Ardmore	3,372	579,691	1,161,510	1,741,201
Seminole	3,357	169,607	485,147	654,754
El Reno	3,341	616,329	427,115	1,043,444
Okmulgee	3,269	404,922	994,219	1,399,141
Durant	3,092	219,803	665,016	884,819
Shawnee	2,854	409,408	1,318,256	1,727,664
Anadarko	2,772	398,718	371,705	770,423
Antlers	2,763	103,034	352,976	456,010
Claremore	2,734	393,126	467,848	860,974
Altus	2,729	650,020	1,397,189	2,047,209
Sapulpa	2,697	522,840	1,110,464	1,633,304
Eufaula	2,567	101,445	342,090	443,535
McAlester	2,566	407,719	1,162,358	1,570,077
Midwest City	2,517	2,767,241	3,778,561	6,545,802
Boswell	2,476	33,880	215,814	249,694
Heavener	2,338	52,618	314,541	367,159
Lawton	2,311	1,705,675	5,658,502	7,364,177
Keota	2,121	58,639	204,583	263,222
Jay	1,998	116,702	430,282	546,984
Watts	1,990	13,503	125,515	139,018
Tahlequah	1,769	162,507	800,931	963,438
Valliant	1,752	46,126	320,934	367,060
Boley	763	56,413	158,854	215,267
Totals	$5,099	$53,847,256	$69,873,715	$123,720,971

Figure 6.-Local and State Support Per Pupil in Average Daily Membership, and Percentages of Local and State Support, Under the Foundation Program Component of the Proposed Plan for the Sample Districts, 1967-68.

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy Per ADM	Per Cent of Total	State Support Per ADM	Per Cent of Total	Total Local-State Per ADM
Gage	$16,596	$401	81	$89	19	$490
Pond Creek	12,690	489	97	10	3	499
Boise City	11,507	448	92	38	8	486
Alva	9,316	430	100	0	0	430
Buffalo	9,218	492	100	0	0	492
Tulsa	7,302	210	54	176	46	386
Ponca City	6,699	218	59	149	41	367
Guymon	6,648	377	100	0	0	377
Sayre	6,617	269	63	162	37	431
Bartlesville	6,142	175	48	195	52	370
Cheyenne	5,986	225	45	275	55	500
Taloga	5,963	332	68	158	32	490
Oklahoma City	5,953	156	41	230	59	386
Ada	5,749	162	43	212	57	374
Woodward	5,734	236	64	134	36	370
Hobart	5,654	245	61	156	39	401
Perry	5,577	266	68	123	32	389
Mangum	5,280	150	36	277	64	427
Miami	5,166	132	36	240	64	372
Enid	5,132	196	53	170	47	366
Stillwater	4,598	163	44	214	56	377
Watonga	4,586	232	54	198	46	430
Hollis	4,580	152	35	285	65	437
Coalgate	4,542	149	29	367	71	516
Clinton	4,485	197	53	177	47	374
Guthrie	4,465	198	50	192	50	390
Walters	4,456	161	36	287	64	448
Pryor	4,431	105	28	278	72	383
Norman	4,258	115	32	250	68	365
Maysville	4,204	162	34	302	66	464

Figure 6--Continued

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy Per ADM	Per Cent of Total	State Support Per ADM	Per Cent of Total	Total Local-State Per ADM
Pawhuska	$4,063	$214	54	$181	46	$395
Frederick	3,970	184	50	184	50	378
Duncan	3,951	143	39	227	61	370
Marietta	3,904	136	30	327	70	463
Terral	3,893	218	45	274	55	492
Muskogee	3,804	129	35	244	65	373
Purcell	3,657	129	34	261	66	390
Holdenville	3,564	130	33	276	67	406
Chickasha	3,556	162	43	222	57	384
Beaver	3,380	741	100	0	0	742
Ardmore	3,372	121	34	242	66	363
Seminole	3,357	99	26	283	74	382
El Reno	3,341	219	60	152	40	371
Okmulgee	3,269	108	28	264	72	362
Durant	3,092	94	25	286	75	380
Shawnee	2,854	88	24	284	76	372
Anadarko	2,772	192	52	179	48	371
Antlers	2,763	102	23	352	77	454
Claremore	2,734	166	46	198	54	364
Altus	2,729	114	32	247	68	361
Sapulpa	2,697	119	33	252	67	371
Eufaula	2,567	98	23	331	77	429
McAlester	2,566	95	26	273	74	368
Midwest City	2,517	156	42	213	58	369
Boswell	2,476	69	14	441	86	510
Heavener	2,338	67	14	402	86	465
Lawton	2,311	82	24	274	76	356
Keota	2,121	112	23	390	77	502
Jay	1,998	94	22	349	78	443
Watts	1,990	47	10	444	90	491
Tahlequah	1,769	66	17	325	83	391
Valliant	1,752	61	13	425	87	486
Boley	763	138	27	389	73	527
For the Sample Districts	$5,099	$166	44	$218	56	$384

and the district's share of the 29 mill county-wide levy was sufficient to support the foundation program.

The local-state support level per ADM for each school district, under the provisions of the proposed foundation program is dependent upon: (1) the level of the support base, (2) the extent of participation by the district in special education, and vocational education programs, (3) adjustments for size as governed by the ratio factor, (4) amounts of transportation aid received under the existing program, (5) district eligibility for large school aid, and (6) the preparation and experience of teachers.

The local share of the foundation program support level is determined as 29 mills is multiplied times the net-assessed valuation of the county and distributed to school districts within the county on the basis of average daily membership. State aid is local-state shared support less the local share.

Incentive Aid

Figure 7 shows the local and state support under the provisions of the incentive aid component of the proposed plan for the sample school districts. The plan was tested assuming that the electorate of each school district approved the full 10 mills levy which is authorized under existing constitutional limitations.

The total amount of local-state support under the incentive program for the sample districts was $32,679,165.

Figure 7.-Local and State Support Under the Incentive Aid Component of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	Local Revenue From 10 Mills Incentive Levy	State Incentive Aid	Total Local and State Support Through Incentive Programs
Gage	$16,596	$25,558	$ 7,696	$33,254
Pond Creek	12,690	37,562	14,794	52,356
Boise City	11,507	78,594	33,644	112,238
Alva	9,316	129,026	69,238	198,264
Buffalo	9,218	45,538	24,700	70,238
Tulsa	7,302	5,479,384	3,752,034	9,231,418
Ponca City	6,699	467,070	349,582	816,652
Guymon	6,648	146,712	110,344	257,056
Sayre	6,617	55,514	41,964	97,478
Bartlesville	6,142	517,374	421,200	938,574
Cheyenne	5,986	18,258	15,236	33,494
Taloga	5,963	10,554	8,840	19,394
Oklahoma City	5,953	4,153,300	3,488,654	7,641,954
Ada	5,749	146,322	127,244	273,566
Woodward	5,734	156,718	136,656	293,374
Hobart	5,654	69,090	61,100	130,190
Perry	5,577	69,658	62,542	132,200
Mangum	5,280	52,586	49,790	102,376
Miami	5,166	166,154	160,784	326,938
Enid	5,132	492,297	480,324	972,621
Stillwater	4,598	200,340	217,828	418,168
Watonga	4,586	49,256	53,716	102,972
Hollis	4,580	41,996	45,864	87,860
Coalgate	4,542	28,070	30,394	58,464
Clinton	4,485	103,158	114,997	218,155
Guthrie	4,465	118,014	133,796	251,810
Walters	4,456	37,444	42,328	79,772
Pryor	4,431	101,338	114,374	215,712
Norman	4,258	345,056	405,132	750,188
Maysville	4,204	26,148	31,096	57,244

Figure 7--Continued

School District	Valuation Per ADM	Local Revenue From 10 Mills Incentive Levy	State Incentive Aid	Total Local and State Support Through Incentive Programs
Pawhuska	$4,063	$ 51,520	$ 63,388	$114,908
Frederick	3,951	62,176	78,312	140,488
Duncan	3,951	188,542	238,576	427,118
Marietta	3,904	27,212	34,840	62,052
Terral	3,893	9,420	12,090	21,510
Muskogee	3,803	360,480	473,954	834,434
Purcell	3,657	37,772	51,663	89,435
Holdenville	3,564	46,830	65,676	112,506
Chickasha	3,556	120,920	170,014	290,934
Beaver	3,380	23,056	34,112	57,168
Ardmore	3,372	161,584	239,590	401,174
Seminole	3,357	57,446	85,566	143,012
El Reno	3,341	93,808	140,402	234,210
Okmulgee	3,269	122,788	187,798	310,586
Durant	3,092	71,668	115,882	187,550
Shawnee	2,854	132,290	231,764	364,054
Anadarko	2,772	57,518	103,740	161,258
Antlers	2,763	27,716	50,128	77,844
Claremore	2,734	64,412	117,806	182,218
Altus	2,729	154,380	282,880	437,260
Sapulpa	2,697	118,482	219,674	338,156
Eufaula	2,567	26,570	51,740	78,310
McAlester	2,566	109,358	213,070	322,428
Midwest City	2,517	445,634	885,274	1,330,908
Boswell	2,476	12,106	24,466	36,572
Heavener	2,338	18,286	39,104	57,390
Lawton	2,311	476,510	1,031,050	1,507,560
Keota	2,121	11,118	26,182	37,300
Jay	1,998	24,598	61,542	86,140
Watts	1,990	5,632	14,144	19,776
Tahlequah	1,769	43,514	122,980	166,494
Valliant	1,752	13,208	37,700	50,908
Boley	763	3,114	20,410	23,524
Totals	$5,099	$16,547,757	$16,131,408	$32,679,165

Local monies generated from the assessment of 10 incentive aid mills amounted to $16,547,757, or 51 per cent, and state support equaled $16,131,408, or 49 per cent of the total.

Figure 8 depicts the local and state support per ADM, and the percentages of local and state support under the provisions of the incentive component of the proposed plan for the sample districts. Local support per ADM decreased as valuation per ADM decreased, and varied from $166 for Gage to $8 for Boley.

State aid under the incentive component was $50 per pupil in average daily membership for each of the sample school districts, and the percentage of the total incentive program from state sources varied from 23 per cent for Gage, which had the highest valuation per ADM, to 86 per cent for Boley, which had the lowest valuation per ADM.

The state average local-state support through the incentive component of the proposed plan for the sample districts was $101 per ADM. Total support per ADM for the school districts was directly related to the net-assessed valuation of the school district per ADM, and increased for each of the sample districts as assessed valuation per ADM increased.

Figure 9 shows the local and state support for the sample districts under the foundation aid and incentive aid components of the proposed plan. The local contribution of the sample districts amounted to $70,395,013, or 45 per cent of the total support of $156,400,136; and combined foundation

Figure 8.-Local and State Support Per Pupil in Average Daily Membership, and Percentages of Local and State Support, Under the Incentive Aid Component of the Proposed Plan for the Sample Districts, 1967-68.

School District	Valuation Per ADM	Rev. from 10 Mills Incentive Levy Per ADM	Per Cent of Total	State Incentive Aid Per ADM	Per Cent of Total	Total Support Local and State
Gage	$16,596	$166	77	$50	23	$216
Pond Creek	12,690	126	72	50	28	176
Boise City	11,507	116	70	50	30	166
Alva	9,316	93	66	50	34	143
Buffalo	9,218	92	65	50	35	142
Tulsa	7,302	71	59	50	41	121
Ponca City	6,699	66	57	50	43	116
Guymon	6,648	66	57	50	43	116
Sayre	6,617	66	57	50	43	116
Bartlesville	6,142	61	55	50	45	111
Cheyenne	5,986	60	55	50	45	110
Taloga	5,963	60	55	50	45	110
Oklahoma City	5,953	59	55	50	45	109
Ada	5,749	57	54	50	46	107
Woodward	5,734	57	54	50	46	107
Hobart	5,654	57	54	50	46	107
Perry	5,577	56	53	50	47	106
Mangum	5,280	53	52	50	48	103
Miami	5,166	51	51	50	49	101
Enid	5,132	51	51	50	49	101
Stillwater	4,598	45	48	50	52	95
Watonga	4,586	45	48	50	52	95
Hollis	4,580	45	48	50	52	95
Coalgate	4,542	45	48	50	52	95
Clinton	4,485	44	47	50	53	94
Guthrie	4,465	44	47	50	53	94
Walters	4,456	44	47	50	53	94
Pryor	4,431	44	47	50	53	94
Norman	4,258	42	46	50	54	92
Maysville	4,204	42	46	50	54	92

Figure 8--Continued

School District	Valuation Per ADM	Rev. from 10 Mills Incentive Levy Per ADM	Per Cent of Total	State Incentive Aid Per ADM	Per Cent of Total	Total Support Local and State
Pawhuska	4,063	$41	46	50	54	91
Frederick	3,970	40	45	50	55	90
Duncan	3,951	40	44	50	56	90
Marietta	3,904	40	44	50	56	90
Terral	3,893	39	44	50	56	89
Muskogee	3,803	38	43	50	57	88
Purcell	3,657	37	43	50	57	87
Holdenville	3,564	35	42	50	58	85
Chickasha	3,556	35	42	50	58	85
Beaver	3,380	33	40	50	60	83
Ardmore	3,372	33	40	50	60	83
Seminole	3,357	33	40	50	60	83
El Reno	3,341	33	40	50	60	83
Okmulgee	3,269	32	40	50	60	82
Durant	3,092	30	38	50	62	80
Shawnee	2,854	28	36	50	64	78
Anadarko	2,772	28	36	50	64	78
Antlers	2,763	28	36	50	64	78
Claremore	2,734	28	36	50	64	78
Altus	2,729	27	35	50	65	77
Sapulpa	2,697	26	35	50	65	76
Eufaula	2,567	26	35	50	65	76
McAlester	2,566	26	35	50	65	76
Midwest City	2,517	25	34	50	66	75
Boswell	2,476	25	33	50	67	75
Heavener	2,338	23	32	50	68	73
Lawton	2,311	23	32	50	68	73
Keota	2,121	21	30	50	70	71
Jay	1,998	19	28	50	72	69
Watts	1,990	19	28	50	72	69
Tahlequah	1,769	18	27	50	73	68
Valliant	1,752	18	26	50	74	68
Boley	763	8	14	50	86	58
For the Sample Districts	$5,099	$51	51	$50	49	$101

Figure 9.-Local and State Support Under the Foundation Aid and Incentive Aid Components of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy; Plus Yield from 10 Mill Local Levy	State Support Under Foundation and Incentive Aid Programs	Total Local-State Support
Gage	$16,596	$87,431	$21,450	$108,881
Pond Creek	12,690	182,272	17,786	200,058
Boise City	11,507	380,170	59,704	439,874
Alva	9,316	725,824	69,238	795,062
Buffalo	9,218	288,521	24,700	313,221
Tulsa	7,302	21,262,394	17,001,738	38,264,132
Ponca City	6,699	1,987,931	1,388,699	3,376,630
Guymon	6,648	978,789	110,344	1,089,133
Sayre	6,617	234,246	253,174	487,420
Bartlesville	6,142	1,988,853	2,061,523	4,050,376
Cheyenne	5,986	86,979	99,335	186,314
Taloga	5,963	69,322	36,816	106,138
Oklahoma City	5,953	15,032,730	19,599,098	34,631,828
Ada	5,749	559,452	667,698	1,227,150
Woodward	5,734	802,620	503,803	1,306,423
Hobart	5,654	368,545	252,261	620,806
Perry	5,577	402,884	216,575	619,459
Mangum	5,280	202,206	325,767	527,973
Miami	5,166	591,638	935,080	1,526,718
Enid	5,132	2,376,904	2,121,700	4,498,604
Stillwater	4,598	911,139	1,152,167	2,063,306
Watonga	4,586	298,797	266,705	565,502
Hollis	4,580	181,772	308,159	489,931
Coalgate	4,542	120,081	257,354	377,435
Clinton	4,485	558,160	522,917	1,081,077
Guthrie	4,465	650,177	648,146	1,298,323
Walters	4,456	173,516	285,484	459,000
Pryor	4,431	341,837	750,970	1,092,807
Norman	4,258	1,274,608	2,437,285	3,711,893
Maysville	4,063	126,905	219,347	346,252

Figure 9--Continued

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy; Plus Yeild from 10 Mill Local Levy	State Support Under Foundation and Incentive Aid Programs	Total Local-State Support
Pawhuska	$4,063	$324,033	$293,185	$617,218
Frederick	3,970	350,527	366,800	717,327
Duncan	3,951	873,120	1,321,041	2,194,161
Marietta	3,904	122,595	262,698	385,293
Terral	3,893	62,175	78,356	140,531
Muskogee	3,803	1,584,939	2,787,777	4,372,716
Purcell	3,657	171,744	321,541	493,285
Holdenville	3,564	217,382	429,088	646,470
Chickasha	3,556	670,845	928,200	1,599,045
Beaver	3,380	529,244	34,112	563,356
Ardmore	3,372	741,275	1,401,100	2,142,375
Seminole	3,357	227,053	570,713	797,766
El Reno	3,341	710,137	567,517	1,277,654
Okmulgee	3,269	527,710	1,182,017	1,709,727
Durant	3,092	291,471	780,898	1,072,369
Shawnee	2,854	541,698	1,550,020	2,091,718
Anadarko	2,772	456,236	475,445	931,681
Antlers	2,763	130,750	403,104	533,854
Claremore	2,734	457,538	585,654	1,043,192
Altus	2,729	804,400	1,680,069	2,484,469
Sapulpa	2,697	641,322	1,330,138	1,971,460
Eufaula	2,567	128,015	393,830	521,845
McAlester	2,566	517,077	1,375,428	1,892,505
Midwest City	2,517	3,212,875	4,663,835	7,876,710
Boswell	2,476	45,986	240,280	286,266
Heavener	2,338	70,904	353,645	424,549
Lawton	2,311	2,182,185	6,689,552	8,871,737
Keota	2,121	69,757	230,765	300,522
Jay	1,998	141,300	491,824	633,124
Watts	1,990	19,135	139,659	158,794
Tahlequah	1,769	206,021	923,911	1,129,932
Valliant	1,752	59,334	358,634	417,968
Boley	763	59,527	179,264	238,791
Totals	$5,099	$70,395,013	$86,005,123	$156,400,136

aid and incentive aid equaled $86,005,123, or 55 per cent of the total.

As shown in Figure 10, local and state support per ADM for the sample districts under the provisions of the foundation and incentive aid programs was $485. The local contribution was $218 per ADM, or 45 per cent and the State's share was $267 per ADM or 55 per cent of the total.

Beaver, in the fifth size category and third wealth category had the highest level of support per pupil in ADM, $825; while Lawton in the first size category and the fourth wealth category had the lowest, $429.

School Building Aid

As shown in Figure 11, state support under the school building aid component of the proposed plan was $9,782,247, or $31 per pupil in average daily membership for the sample school districts. Aid to school buildings involves state monies only, and was calculated at 14 per cent of the amount of foundation aid for which the district qualified under the foundation program component of the plan. Those districts which did not qualify for aid under the foundation program received no school building aid.

It may be seen from an examination of Figure 12 that the implementation of the foundation, incentive aid and school building aid programs would provide a support level of $166,182,393, or $515 per ADM for the sample districts. It may be noted that local-state support varied from $825

Figure 10.-Local and State Support Per Pupil in Average Daily Membership and Percentages of Local and State Support, Under the Foundation Aid and Incentive Aid Components of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy, Plus Yield from 10 Mill Local Levy;Per ADM	Total	State Support Per ADM Under Foundation and Incentive Aid Programs	Per Cent of Total	Total
Gage	$16,596	$567	80	$139	20	$706
Pond Creek	12,690	615	91	60	9	675
Boise City	11,507	564	86	88	14	652
Alva	9,316	523	91	50	9	573
Buffalo	9,218	584	92	50	8	634
Tulsa	7,302	281	54	226	46	507
Ponca City	6,699	284	59	199	41	483
Guymon	6,648	443	89	50	11	493
Sayre	6,617	278	48	300	52	578
Bartlesville	6,142	236	49	245	51	481
Cheyenne	5,986	284	47	325	53	609
Taloga	5,963	392	65	208	35	600
Oklahoma City	5,953	215	43	280	57	495
Ada	5,749	219	46	262	54	481
Woodward	5,734	293	64	184	36	477
Hobart	5,654	302	59	206	41	508
Perry	5,577	322	65	173	35	495
Mangum	5,280	203	39	327	61	530
Miami	5,166	183	38	290	62	473
Enid	5,132	247	52	220	48	467
Stillwater	4,598	208	45	264	55	472
Watonga	4,586	277	55	248	45	525
Hollis	4,580	197	38	335	62	532
Coalgate	4,542	194	32	417	68	611
Clinton	4,485	241	52	227	48	468
Guthrie	4,465	242	50	242	50	484
Walters	4,456	205	38	337	62	542
Pryor	4,431	149	32	328	68	477
Norman	4,258	157	34	300	66	457
Maysville	4,204	204	37	352	63	556

Figure 10--Continued

School District	Valuation Per ADM	District's Share of 29 Mills Co. Levy, Plus Yield from 10 Mill Local Levy; Per ADM	Total	State Support Per ADM Under Foundation and Incentive Aid Programs	Total	Total
Pawhuska	$4,063					
Frederick	3,970	$224	48	$234	52	$458
Duncan	3,951	182	40	277	60	459
Marietta	3,904	176	32	377	68	553
Terral	3,893	257	44	324	56	581
Muskogee	3,803	167	37	294	63	461
Purcell	3,657	166	35	311	65	477
Holdenville	3,564	165	34	326	66	491
Chickasha	3,556	197	43	272	57	469
Beaver	3,380	775	93	50	7	825
Ardmore	3,372	164	37	283	63	447
Seminole	3,357	116	26	334	74	450
El Reno	3,341	252	55	202	45	454
Okmulgee	3,269	140	30	314	70	454
Durant	3,092	124	27	336	73	460
Shawnee	2,854	116	26	334	74	450
Anadarko	2,772	220	49	229	51	449
Antlers	2,763	129	25	402	75	531
Claremore	2,734	194	44	248	56	442
Altus	2,729	141	32	297	68	438
Sapulpa	2,697	145	33	302	67	447
Eufaula	2,567	124	25	381	75	505
McAlester	2,566	121	28	323	72	444
Midwest City	2,517	181	40	263	60	444
Boswell	2,476	94	16	491	84	585
Heavener	2,338	90	17	452	83	542
Lawton	2,311	105	25	324	75	429
Keota	2,121	133	23	440	77	573
Jay	1,998	113	23	399	77	512
Watts	1,990	66	13	494	87	560
Tahlequah	1,769	84	19	375	81	459
Valliant	1,752	79	15	475	85	554
Boley	763	146	24	439	76	585
For the Sample Districts	$5,099	$218	45	$267	55	$485

Figure 11.-Total State Support and State Support Per Pupil in Average Daily Membership Under the School Buildings Aid Component of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	State Support Under the School Building Program	State Support Per ADM Under the School Building Program
Gage	$16,596	$1,926	$13
Pond Creek	12,690	419	1
Boise City	11,507	3,648	5
Alva	9,316	0	0
Buffalo	9,218	0	0
Tulsa	7,302	1,854,959	25
Ponca City	6,699	145,476	21
Guymon	6,648	0	0
Sayre	6,617	29,569	35
Bartlesville	6,142	229,645	27
Cheyenne	5,986	11,774	39
Taloga	5,963	3,917	22
Oklahoma City	5,953	2,255,462	37
Ada	5,749	75,664	29
Woodward	5,734	51,400	16
Hobart	5,654	26,763	22
Perry	5,577	21,565	17
Mangum	5,280	38,637	40
Miami	5,166	108,401	34
Enid	5,132	229,793	24
Stillwater	4,598	130,807	30
Watonga	4,586	29,818	28
Hollis	4,580	36,620	40
Coalgate	4,542	31,141	51
Clinton	4,485	57,109	25
Guthrie	4,465	72,009	27
Walters	4,456	34,042	40
Pryor	4,431	89,785	39
Norman	4,258	284,501	35
Maysville	4,204	26,355	42

Figure 11--Continued

School District	Valuation Per ADM	State Support Under the School Building Program	State Support Per ADM Under the School Building Program
Pawhuska	$4,063	$32,172	$26
Frederick	3,970	40,388	26
Duncan	3,951	151,545	32
Marietta	3,904	31,900	46
Terral	3,893	9,277	38
Muskogee	3,803	323,935	34
Purcell	3,657	37,783	37
Holdenville	3,564	50,878	39
Chickasha	3,556	106,146	31
Beaver	3,380	0	0
Ardmore	3,372	162,611	32
Seminole	3,357	67,921	40
El Reno	3,341	59,796	21
Okmulgee	3,269	139,191	37
Durant	3,092	93,102	40
Shawnee	2,854	184,556	40
Anadarko	2,772	52,039	25
Antlers	2,763	49,417	49
Claremore	2,734	65,499	28
Altus	2,729	195,606	35
Sapulpa	2,697	155,465	35
Eufaula	2,567	47,893	46
McAlester	2,566	162,730	38
Midwest City	2,517	528,999	30
Boswell	2,476	30,214	62
Heavener	2,338	44,035	56
Lawton	2,311	792,190	38
Keota	2,121	28,642	55
Jay	1,998	60,239	49
Watts	1,990	17,572	60
Tahlequah	1,769	112,130	46
Valliant	1,752	44,931	60
Boley	763	22,240	55
For the Sample Districts	$5,099	$9,782,247	$31

Figure 12.-Total Local and State Support, and Local and State Support Per Pupil in Average Daily Membership Under the Foundation Aid, Incentive Aid, and School Buildings Aid Components of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	Local and State Support Under the Foundation Incentive and School Building Components	Local and State Support Per ADM Under the Foundation Incentive and School Building Components
Gage	$16,596	$110,807	$719
Pond Creek	12,690	200,477	676
Boise City	11,507	443,522	647
Alva	9,316	795,062	573
Buffalo	9,218	313,221	634
Tulsa	7,302	40,119,091	534
Ponca City	6,699	3,522,106	504
Guymon	6,648	1,089,133	493
Sayre	6,617	516,989	613
Bartlesville	6,142	4,280,021	508
Cheyenne	5,986	198,088	648
Taloga	5,963	110,055	622
Oklahoma City	5,953	36,887,290	532
Ada	5,749	1,302,814	506
Woodward	5,734	1,357,823	475
Hobart	5,654	647,569	530
Perry	5,577	640,934	512
Mangum	5,280	566,610	570
Miami	5,166	1,635,119	507
Enid	5,132	4,728,397	491
Stillwater	4,598	2,194,113	502
Watonga	4,586	595,320	587
Hollis	4,580	526,551	572
Coalgate	4,542	408,676	662
Clinton	4,485	1,138,186	493
Guthrie	4,465	1,370,332	511
Walters	4,456	493,042	582
Pryor	4,431	1,182,592	516
Norman	4,258	3,996,394	492
Maysville	4,204	372,607	598

Figure 12--Continued

School District	Valuation Per ADM	Local and State Support Under the Foundation Incentive and School Building Components	Local and State Support Per ADM Under the Foundation Incentive and School Building Components
Pawhuska	$4,063	$649,390	$512
Frederick	3,970	757,715	484
Duncan	3,951	2,345,706	491
Marietta	3,904	417,193	599
Terral	3,893	149,808	619
Muskogee	3,803	4,696,651	495
Purcell	3,657	531,068	514
Holdenville	3,564	697,348	530
Chickasha	3,556	1,705,191	500
Beaver	3,380	563,356	825
Ardmore	3,372	2,304,986	479
Seminole	3,357	865,687	506
El Reno	3,341	1,337,450	474
Okmulgee	3,269	1,848,918	491
Durant	3,092	1,165,471	500
Shawnee	2,854	2,276,274	490
Anadarko	2,772	983,720	474
Antlers	2,763	583,271	580
Claremore	2,734	1,108,691	470
Altus	2,729	2,680,075	473
Sapulpa	2,697	2,126,925	482
Eufaula	2,567	569,738	551
McAlester	2,566	2,055,235	482
Midwest City	2,517	8,405,709	474
Boswell	2,476	316,480	647
Heavener	2,338	468,584	598
Lawton	2,311	9,663,927	467
Keota	2,121	329,164	628
Jay	1,998	693,363	561
Watts	1,990	176,366	603
Tahlequah	1,769	1,242,062	505
Valliant	1,752	462,899	614
Boley	763	261,031	640
For the Sample Districts	$5,099	$166,182,393	$515

per ADM for Beaver to $467 per ADM for Lawton. Beaver was in the third wealth category and Lawton was in the fourth.

Figure 13 shows the amount of state monies which would be required to finance the three components of the proposed plan at the levels at which they were tested. A total of $95,787,370 or $297 per ADM would be required from state sources for the sample districts.

The effects of the application of the proposed plan on each of the selected school districts and on the total sample have been reported in Figures 1-13. As indicated in Figure 9, Page 117, $86,005,123 would be required in state monies to implement the proposed foundation and incentive aid programs for the sample districts at the levels tested. State support for the sample districts under the 1967-68 foundation and incentive aid programs was $28,790,960. If allocated funds had been treated as state monies this figure would have been $50,904,334. The ratio of $86,005,123 to $50,904,334 is L.69.

During 1967-68 the school districts of Oklahoma received $65,244,199 under the foundation and incentive aid programs in state monies. If allocated funds of $41,907,443 had been treated as state revenue, total state aid through the foundation and incentive aid programs would have been $107,151,642. Multiplying the ratio 1.69 times $107,151,642

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[1]Report to the Oklahoma Legislature by the Oklahoma State Department of Education, Finance Division, January, 1969, p. 17.

Figure 13,-Total State Support and State Support Per Pupil in Average Daily Membership Under the Foundation Aid, Incentive Aid, and School Buildings Aid Components of the Proposed Plan for the Sample School Districts, 1967-68.

School District	Valuation Per ADM	Total State Support	State Support Per ADM
Gage	$16,596	$23,376	$153
Pond Creek	12,690	18,205	61
Boise City	11,507	63,352	93
Alva	9,316	69,238	50
Buffalo	9,218	24,700	50
Tulsa	7,302	18,856,697	259
Ponca City	6,699	1,534,175	220
Guymon	6,648	110,344	50
Sayre	6,617	282,743	335
Bartlesville	6,142	2,291,168	272
Cheyenne	5,986	111,109	364
Taloga	5,963	40,733	230
Oklahoma City	5,953	21,854,560	317
Ada	5,749	743,362	287
Woodward	5,734	555,203	182
Hobart	5,654	279,024	228
Perry	5,577	238,140	190
Mangum	5,280	364,404	367
Miami	5,166	1,043,481	423
Enid	5,132	2,351,493	244
Stillwater	4,598	1,282,974	294
Watonga	4,586	296,523	274
Hollis	4,580	344,779	375
Coalgate	4,542	288,495	468
Clinton	4,485	580,026	252
Guthrie	4,465	720,155	269
Walters	4,456	319,526	377
Pryor	4,431	840,755	367
Norman	4,258	2,721,786	335
Maysville	4,204	245,702	394

Figure 13--Continued

School District	Valuation Per ADM	Total State Support	State Support Per ADM
Pawhuska	$4,063	$325,357	$257
Frederick	3,970	407,188	260
Duncan	3,951	1,472,586	309
Marietta	3,904	294,598	423
Terral	3,893	87,633	362
Muskogee	3,802	3,111,712	328
Purcell	3,657	359,324	348
Holdenville	3,564	479,966	365
Chickasha	3,556	1,034,346	303
Beaver	3,380	34,112	50
Ardmore	3,372	1,563,711	315
Seminole	3,357	638,634	373
El Reno	3,341	627,313	222
Okmulgee	3,269	1,321,208	351
Durant	3,092	874,000	376
Shawnee	2,854	1,734,576	374
Anadarko	2,772	527,484	254
Antlers	2,763	452,521	451
Claremore	2,734	651,153	276
Altus	2,729	1,875,675	332
Sapulpa	2,697	1,485,603	337
Eufaula	2,567	441,723	427
McAlester	2,566	1,538,158	361
Midwest City	2,517	5,192,834	293
Boswell	2,476	270,494	553
Heavener	2,338	397,680	508
Lawton	2,311	7,481,742	362
Keota	2,121	259,407	495
Jay	1,998	552,063	448
Watts	1,990	157,231	537
Tahlequah	1,769	1,036,041	421
Valliant	1,752	403,565	535
Boley	763	201,504	494
For the Sample Districts	$5,099	$95,787,370	$297

gives a figure of $181,086,194, the approximate amount which would be required in state monies to finance the foundation and incentive aid programs of the proposed state-local finance plan. Since both school districts qualifying for large school aid were included in the sample, actual required state monies would be slightly less than this amount.

The implementation of the school building aid program would require $9,782,247 in state monies, which would increase total state support for the proposed plan to $95,787,370 for the sample districts. The ratio of $95,787,370 to $50,904,334 is 1.88. When this ratio is applied to the total state support for the foundation and incentive aid programs during 1967-68 for all of the school districts of Oklahoma, it yields a figure of $201,445,086, which is the approximate amount which would have been required to implement the three components of the proposed plan for the entire state for the 1967-68 school year.

The 1968 Legislature provided that incentive aid be increased from $25 to $52 per pupil in average daily attendance during 1968-69 for each district that votes and levies 5 incentive aid mills. This will be increased to $72 in 1969-70, and to $92 in 1970-71.[1]

The exact amount of state monies required to support public education in Oklahoma during 1968-69 could not be

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[1]"Public School Improvement Act of 1968" (Oklahoma State Department of Education, Finance Division, March 7, 1968). (Mimeographed)

accurately determined at this time, but the Oklahoma State Department of Education has estimated this figure to be approximately $81,500,000. If allocated funds, as collected in 1967-68, were treated as state monies, then state support for all the school districts of Oklahoma would be approximately $123,407,443.

The 1969 Legislature provided that kindergarten programs would be supported under the provisions of the foundation program, beginning with the 1969-70 school year. It has been estimated by the Oklahoma State Department of Education that this program will cost an additional $2,500,000. The increase in the State's share of the incentive aid program will be approximately $11,000,000 for the school districts of Oklahoma during 1969-70. State expenditures during 1969-70 will be approximately $95,000,000, and if allocated funds, as collected during 1967-68, are treated as state monies this figure would be increased to approximately $136,907,443.

It is estimated that the implementation of the incentive aid program during the school year 1970-71 will require an additional $11,000,000, and total expenditures for 1970-71 in state monies will be approximately $106,000,000. If allocated funds, as collected during 1967-68, were added approximately $147,907,443 would be required in state monies for 1970-71, under existing laws.

The implementation of the proposed foundation and incentive programs, at the levels tested, would require

approximately $33,178,751 more than the estimated $147,907,443 in state aid and allocated funds that will be required during 1970-71 under existing laws, and if the building aid program were also implemented, the total additional amount required would be $53,537,643.

The purpose in comparing the projected costs of the proposed program with estimated expenditures under existing laws was to provide some basis for judging the appropriateness of values assigned to key variables, and to provide some clues as to what changes in these values might be desirable or necessary in order to make the proposed program fit the needs of the State. In other words, any serious attempt to implement the proposed state-local support program as presented and illustrated, would require extensive further testing, using alternate values in key variables until educational needs, levels of support, and the State's ability and willingness to support its public schools were brought into reasonable balance.

Evaluation of the Proposed State-Local Finance Plan

The plan is relatively simple, and the amounts of state aid can be easily calculated for any school district. Each key variable in the formula serves a purpose and can be changed and the effect determined.

The principle of equitable treatment of tax payers can be satisfied as assessed valuations are equalized, and

the plan has a reasonable degree of flexibility, since it can be adapted to a variety of conditions without changing the basic structure.

As Criterion Number 1 recommends, the proposed plan includes a Strayer-Haig type of foundation program. The state-local partnership plan involves participation in the financing of educational opportunities for the youth of Oklahoma at the district, county, and state levels.

The plan allows school districts the necessary degree of local control to enable them to meet the different educational needs of their respective communities. It does not dictate the number of teachers that must be employed, the special programs or services that must be provided, or the salaries to be paid, but it does encourage all districts to maintain reasonable class size, to employ necessary non-teaching personnel, to develop adequate salary schedules, and to provide needed programs and services. This is in keeping with the State's responsibility for guaranteeing equal educational opportunity to all of its children.

Criterion Number 2 points to the necessity for a unit of educational need that is as objective and as simple as possible. Average daily membership appears to be superior to average daily attendance as a basis for calculating the unit of educational need, since it encouraged pupil attendance, but does not penalize a school district when pupils are absent for relatively short periods of time. A careful examination of the state-local finance plans of the various

states in the nation reveals that eighteen states provide for the distribution of equalization funds on the basis of average daily membership. The proposed plan uses average daily membership as the basic unit of need and, therefore, satisfies the principles set forth in Criterion Number 2.

Criterion Number 3 provides that weightings be included in the foundation program for special education, speech correction, kindergarten programs, and vocational education. Vocational education is provided in the current state-local support plan for Oklahoma through the foundation program, but special education and speech correction programs are supported outside the foundation program. Kindergarten programs were not financed with state funds in 1967-68.

Students enrolled in special education were given an additional weighting of "1" in the plan since the Oklahoma State Department of Education has recommended that classes may range in size from 5 to 10 in classes for the trainable and 8 to 20 in classes for the educable. One speech correctionist may work with a minimum of 75 and a maximum of 120 students.[1] Students enrolled in speech correction were given an additional weighting of 0.25 providing a classroom unit for each 100 students.

Estimated average daily membership of kindergarten programs was determined by increasing average daily attendance

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[1]Oliver Hodge, School Laws of Oklahoma - 1967, (Oklahoma City: The Oklahoma State Department of Education, 1967), p. 88.

for the first grade by 4 per cent and applying a weighting of 0.5 since this program is conducted on a one-half day basis. Kindergarten programs were offered in certain schools of Oklahoma in 1967-68, but were financed from local revenue and/or by fees and tuition. Since these programs were not compulsory, average daily attendance figures for these school districts did not clearly reflect an estimate of potential kindergarten average daily membership.

The current foundation program provides an additional weighting of 0.5 for the number of full time vocational education teachers, when programs have been approved by the Oklahoma State Department of Education. Weightings for vocational education classes are provided on the same basis in the proposed plan and may be fully justified since vocational education classes are usually smaller than regular academic classes to provide for necessary individualized instruction. The proposed plan satisfies the requirements of Criterion Number 3.

Criterion Number 4 points to the need for sparsity and density factors to provide, through the foundation program, for the special needs of necessary "small" school districts, and large city school districts.

Authorities generally agree that efficient and effective school districts should have an enrollment of at least 1500, but school district reorganization has been slow in Oklahoma. The proposed plan, therefore, provides for increased support for "operating" school districts with weighted pupil units below 1500, and offer a kindergarten through grade

twelve program.

It is not the purpose of the proposed plan to encourage the continuation of unnecessary small school districts, but rather to assure the provision of adequate educational opportunities for the pupils who must attend these schools. No state aid is provided for school districts which do not offer a kindergarten through grade twelve program.

A review of the fifty state school plans reveals a number of approaches for the provision of state monies for large city school districts. A special research study by Hanson showed that unit costs decline with increasing size of school districts beyond 1500 pupils, and that the median size school district in which unit costs were lowest was 50,000 pupils in average daily attendance.[1]

The State of New York provides an increase of 10 per cent or $76 for the first 1500 weighted average daily attendance. Increased support of 10 per cent or $76 per unit of weighted ADA is provided for school districts with 8,000 or more in weighted average daily attendance. The six largest cities of New York are excluded from this provision, but receive a 17.5 per cent increase for operation, and growth aid.[2]

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[1]Nels W. Hanson, "The Size-Cost Relationship in Public Schools," Trends in Financing Public Education, Proceedings of the Eighth National Conference on School Finance, April 4-7, 1965, (Chicago, Illinois, 1965), p. 131.

[2]Thomas L. James, Public School Finance Programs, 1968-69, (Washington, D. C.: U. S. Department of Health, Education and Welfare, Office of Education, February, 1969), p. 207.

As a supplement to the basic foundation program, aid for school districts with more than 50,000 average daily membership of $25 per ADM is provided in the proposed plan. Only two school districts, Oklahoma City and Tulsa, qualify for this aid. A subjective evaluation of the conditions affecting the financing of public education in Oklahoma suggests this amount per pupil, and although inadequate, it is probably as much as is likely to be feasible, at least for the present.

Criterion Number 5 points to the need for providing for administrative and supervisory personnel through the foundation program. The State of Wyoming determines the number of additional positions to be allowed for administrative, supervisory and special service personnel by adding the number of classroom units for elementary schools, secondary schools, vocational classes, and special education classes and dividing the total by eight.[1] The provision of additional units for administration and specialized personnel for the State of Ohio is accomplished by allowing additional units equal to the quotient yielded by dividing the total classroom units allowed by eight.[2]

There is no generally approved procedure for determining the number of pupils in a classroom unit, and methods used by the fifty states vary widely. For example, New Mexico

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[1]Cecil M. Shaw, Wyoming School Foundation Program, (Cheyenne: Wyoming State Department of Education, 1963), p. 11.

[2]John M. Marsons, The Ohio Law for State Support of Public Schools, (Columbus: Columbus Blank Book Co., 1966), p. 15.

requires that each administrative unit in the State provide not less than one full time certified classroom teacher for each 30 pupils.[1] The State of Florida provides one instructional unit for each 27 pupils in average daily attendance for school districts enrolling 300 or more pupils, with no additional allowance for administrative personnel.[2] The current state-local distribution program for Oklahoma provides for one teacher for each 26 pupils in average daily attendance for elementary schools with more than 122 pupils, and secondary schools with more than 72 pupils, with additional allowances for principals and superintendents.[3]

The establishment of a maximum ratio-factor of 1 to 25 in the proposed plan provides one basic unit for each 28 weighted pupil units, and one additional unit for each 8 basic units for districts with 1501 or more weighted pupil units. Additional classroom units are allowed for districts with 1500 or fewer weighted pupil units, with a minimum ratio-factor of 1 to 20 for districts with 520 or fewer weighted pupil units. These provisions provide for reasonably adequate

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[1]New Mexico State Department of Education, Public School Support, Section 11 of House Bill No. 300, Beginning Chapter 2, Second Special Session, 1964, (Santa Fe: New Mexico Department of Education, 1964), p. 51.

[2]Floyd T. Christian, Florida Public School Finance Program, 1966-67, (Tallahassee: Florida State Department of Education, Research Division, August, 1966), p. 7.

[3]Oliver Hodge, School Laws of Oklahoma - 1963, (Oklahoma City: The Oklahoma State Department of Education, 1963), p. 123-24.

numbers of non-teaching personnel, and satisfy the requirements of Criterion Number 5.

In compliance with Criterion Number 6, the proposed plan provides increments, or steps, for the experience and preparation of teachers. Experience steps are calculated allowing one step for each year of experience with a maximum of 12 years for teachers with a Bachelor's Degree and 15 years for those with Master's or Doctor's Degrees. Steps are allowed for levels of preparation of teachers above the Bachelor's Degree, three for the Master's and six for the Doctor's.

Total experience steps and preparation steps are combined to determine the total number of steps for the teaching staff of a school district. This total is divided by the number of teachers employed to determine the average number of steps. An index of quality of faculty is thus provided, assuming that years and preparation and experience are related to quality.

The allowance for preparation and experience of teachers can be modified without changing the basic plan. A minimum salary schedule could be provided, if desired, but is not included as a part of the distribution formula. Each school district would be encouraged to construct a sound salary schedule under this plan.

Criterion Number 7 calls for easily understood and equitable measures of local financial ability to support public schools. At the present time the measures of local ability,

or those revenues that are chargeable to the foundation program, include: (1) all revenues collected from a 15 mill levy on the net-assessed valuation of the school district, allowing a 10 per cent deduction for delinquent taxes: (2) transfer fees and tuition: (3) the school district's share of 75 per cent of a 4 mill county levy; (4) county apportionment; (5) auto license taxes; (6) intangible taxes; (7) gross production taxes; (8) rural electrification taxes; and (9) income from school lands.

Under the proposed plan, chargeable income or the measure of local ability to support education would consist of one measure: the revenue derived from a 29 mill levy on the total county net assessed valuation, distributed to the school districts within the county on the basis of average daily membership.

Under the present plan in Oklahoma, revenues from the auto license tax, gross production tax, rural electrification tax, and school land earnings are allocated to the local districts and become part of the local revenue for the support of the foundation program. Under the proposed plan these revenues would be dedicated for the support of the public schools but would be considered as state rather than local revenues.

All constitutional provisions for the limitation of mill levies for public education would be repealed under the proposed plan.

Efforts to establish measures of local ability other

than equalized assessed valuation of property have generally been unsuccessful. The proposed plan satisfies the principle of simplicity in the procedure for determining local ability, and the proposed measure of local ability may be judged as equitable if present efforts in Oklahoma to improve the tax assessment practices prove to be successful.

Criterion Number 8 provides that costs of transportation be included in the foundation program. The present transportation program for Oklahoma provides transportation support based upon the number of legally transported pupils. Density factors are applied for each school district. A district correction factor is determined by dividing the actual costs of transportation in a district for the previous 6 years by the minimum program for transportation for the previous 6 years. The correction factor cannot exceed 1.25.[1]

Reports from the Oklahoma State Department of Education reveal that $10,043,196 was spent for transportation in Oklahoma in 1967-68.[2] Actual amounts distributed through the foundation program for transportation purposes cannot be accurately determined from available records, but was estimated by the Oklahoma State Department of Education to be approximately

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[1]Oliver Hodge, The School Finance, Transportation, and Activity Fund Laws, Including the State Board of Education Regulations for Administration and Handbook on Budgeting and Business Management, (Oklahoma City: The Oklahoma State Department of Education, 1968), p. 35.

[2]Report to the Oklahoma Legislature by the Oklahoma State Department of Education, Finance Division, January, 1969, op. cit., p. 10.

five million dollars. The basic formula for calculating transportation aid is utilized in the proposed plan, but the support level was doubled to more nearly represent actual costs of transportation, and incorporated as a supplement to the basic foundation program.

Criterion Number 9 states that the foundation program should encourage local initiative and be considered a minimum beyond which the citizens of any local school district may go at their discretion.

The proposed plan satisfies this criterion since it limits the local district's contribution to the support of the foundation program to 29 mills, and districts may vote an additional 10 mills under present constitutional limitations. It is recommended that all constitutional limits on school levies be removed, which would afford further opportunity for districts to provide educational programs and services not included in a minimum foundation program. Also, the incentive aid program described more fully in the next paragraph, encourages districts to go beyond the minimum program.

Criterion Number 10 points to the need for general purpose incentive aid grants in state-local support programs. As mentioned earlier, Wisconsin, Rhode Island, and New York encourage local initiative through the use of incentive aids in their state-local support programs.

The 1967-68 state-local support program for Oklahoma

provided an incentive aid plan as follows:

> To all school districts an amount of money equal to Twenty-Five Dollars ($25.00) multiplied by the legal average daily attendance of the previous year of such district, provided the school district levies a levy of 5 mills as provided under Section 9 (d), Article X of the Oklahoma Constitution. Provided, school districts which levy less than five (5) mills of the authorized levy shall receive Five Dollars ($5.00) per child for each full mill levied.[1]

The proposed state-local support program provides for increasing the five mills levy on which incentive aid may be paid to 10 mills and for the distribution of incentive aid funds on the basis of average daily membership rather than average daily attendance. A school district would receive incentive aid funds for each full mill levied as provided in the current program.

Criterion Number 11 states the need for state aid to assist school districts in providing needed school buildings. The proposed plan provides that an amount equal to 14 per cent of the foundation aid for which the district qualifies be allocated to school districts to be used for the construction of school buildings. Special state regulations and controls governing the expenditure of money under this allocation would be necessary to guarantee that school buildings would be constructed only where justified.

Criterion Number 12 points to the need for an adequate support level for the state-local finance plan. It recommended

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[1]Oliver Hodge, School Laws of Oklahoma - 1967, (Oklahoma City: The Oklahoma State Department of Education, 1967), p. 126.

that the level of support be determined after program needs had been identified and consideration had been given to the State's ability to support public education.

For purposes of testing, values were assigned to key variables in the foundation program formula, which provided support levels per classroom unit under the following categories: (1) an allowance for maintenance, operation, and supplies; (2) a teacher's salary base; and (3) increments for preparation and experience of the professional staff.

Under the proposed plan, an allowance of $1525 per classroom unit was provided to cover costs of maintenance, operation and supplies. This figure represents an increase of $785 per classroom unit over the $740 provided for maintenance in the present program, and an increase of $265 per classroom unit over the $1250 recommended for this purpose by the Governor's Advisory Committee on Common School Education in 1965.[1] The allowance of $1525 per classroom unit should provide the necessary support under the foundation program for these services.

The average teachers' salary allowance for the sample districts under the proposed program amounted to $7204, made up of the salary base of $6258; and an average incremental supplement of $946, calculated by multiplying the average

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[1]"Report of the Governor's Advisory Committee on Common School Education," Prepared by the Committee Appointed by Governor Henry Bellmon to Study Common School Education in Oklahoma, (Oklahoma City: October, 1964), p. 11. (Mimeographed)

number of increments 9.46 by the assigned value of each increment, $100. This average salary allowance, $7204, under the foundation program component of the plan, should make it possible for all districts of the State to develop satisfactory salary schedules.

The proposed plan, as tested, makes possible a support level for the sample districts of $516 per pupil in average daily membership from local and state sources, under the foundation, incentive, and building aid components of the program; or $485 when only the foundation and incentive components are included.

If additional non-chargeable revenues from federal and other miscellaneous sources, estimated at $56 per pupil in ADM among the districts of the State in 1967-68, had been taken into consideration, current expenditures of $541 ($485 + $56) per pupil in ADM could have been supported under the proposed plan in 1967-68.[1] This compares with current expenditures per pupil in ADM for 1967-68 of $446 for Oklahoma, $475 for the Southwest Region, and $594 for the nation.[2]

In the final analysis, levels of support are determined by the State's ability to support public education, and the effort it is willing to make to provide an adequate program of education for its children. An examination of how

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[1]National Education Association, Estimates of School Statistics, 1968-69, Research Report 1967-R16 (Washington, D. C.: National Education Association, 1968), p. 32.

[2]Ibid., p. 34.

Oklahoma ranks among the 50 states in levels of support, ability, and effort seems appropriate as a means of judging the adequacy of the support levels tested in the proposed plan.

For the year 1967-68, Oklahoma ranked 44th in the nation in estimated current expenditures per pupil in average daily attendance, 35th in per capita personal income, 28th in personal income per school age child, 35th in personal income per public school pupil in average daily attendance, and 33rd in estimated state and local revenues for public schools as per cent of personal income.[1]

These rankings may be interpreted to mean that for the year 1967-68, Oklahoma's effort in the support of the public schools was somewhat below her ability. The State ranked 7th from the bottom in estimated current expenditure per pupil, and support levels which would permit substantial increases in current expenditure levels would appear to be necessary and desirable. The support levels tested in the proposed program would make such increases possible.

Summary

In this chapter, a plan of local-state financial support for the public schools of Oklahoma which was developed in accordance with the criteria presented in Chapter III, was tested by applying it to a selected sample of school districts

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[1]"Ability and Effort to Support Public Schools," Know Your Schools Fact Sheet, XI (March, 1969), p. 2.

of the State, and evaluated in terms of the criteria.

Chapter VI will include a summary of the study, conclusions drawn, and recommendations growing out of the study.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The purpose of this study was to gather a body of organized information relevant to the problem of developing a financial plan of state-local support of education in Oklahoma, to identify criteria for a public school finance plan for the State which would assure adequate educational programs for all the children of the State, and to develop and test a plan based on these criteria.

A need for a complete overhaul of the state-local public school finance plan in Oklahoma has been evident for a number of years. The basic structure of the current plan was developed more than thirty years ago and no longer fits the needs of the State. The unit of need and procedures for calculating the amounts of state support are complex, and it has become increasingly difficult to accurately determine the effects of the plan on school districts of different sizes, wealth, and growth patterns.

Criteria for a new state-local finance plan for the public schools in Oklahoma were developed from the literature.

The plan was illustrated by applying it to a sample school district, and tested in a selected sample of 63 school districts using data for the 1967-68 school year. Criteria for the selection of the sample districts were size as measured by average daily membership, and wealth in terms of net-assessed valuation per student in average daily membership. The sample represented approximately 50 per cent of the average daily membership and 50 per cent of the net-assessed valuation of all districts of the State. The plan was evaluated in terms of the criteria.

Criteria which were developed indicated that a state-local finance plan for the support of public education in Oklahoma should include a Strayer-Haig type of foundation program, which would include the following: (1) a measure of educational need which was as simple and objective as practicable, and which would provide a basis for the equitable distribution of foundation program aid, (2) provisions for vocational education, special education, and kindergarten programs, (3) provisions of additional support for city school districts with over 50,000 average daily membership, and for small "necessary" school districts, (4) provisions for administrative and supervisory personnel, (5) provisions for relating support levels to the preparation and experience of teachers. (6) provisions for equitable measures of local financial ability, (7) provisions for transportation aid, (8) provisions that would stimulate local initiative and encourage citizens

to consider the foundation program a minimum beyond which they may go at their discretion.

The criteria also identified the need for a state-local finance plan which would include a foundation program, incentive aid program, and aid to school buildings, and which would provide support levels which would assure an adequate educational program for all districts, and which would take into consideration the resources available for the support of the public schools.

The proposed state-local finance plan included a Strayer-Haig type of foundation program, a general purpose incentive aids program, and an aid for school buildings program. Weightings were provided for enrollments in kindergarten, special education, and vocational classes.

The number of classroom units allowed under the foundation program was determined through the use of a ratio factor which makes allowances for administrative, supervisory and other non-teaching personnel, and makes provisions for increased unit costs of school districts with less than 1500 pupils in weighted ADM. Additional support for school districts with 50,000 or more in ADM, and transportation at twice the present level of support were included within the foundation program.

Under the proposed plan, foundation program would consist of a county levy of 29 mills on the net assessed valuation of property in the county, distributed to the school districts of the county on the basis of average daily membership.

Present constitutional provisions limiting the mills which may be levied for current school expenditures, and setting the number of mills which may be allocated for the support of the foundation program would be repealed, and levels and sources of local support of the foundation program would be determined by the State Legislature.

Allocated revenues derived from auto license taxes, gross production taxes, rural electrification taxes, and income from school lands would revert to the State and would be designated as dedicated revenues for use in financing the State's share of the foundation program.

For purposes of testing the plan, a base support level of $7783 per classroom unit allowed was used. This consisted of a $6258 teachers' salary factor, and a $1525 maintenance and operations factor. The incentive aid component of the plan was established at $5 times the number of incentive mills levied, and was tested on the assumption that all districts would vote and levy the maximum of 10 mills. School buildings aid was calculated as 14 per cent of the state aid under the foundation program component. Income from county apportionment and transfer fees would become non-chargeable income under the plan. Transfer fees would be calculated at the current expense per ADM less foundation aid per ADM of the receiving district.

The plan, as presented and tested, was shown to satisfy the criteria as developed, and would have made possible a

current expenditure level in Oklahoma for the school year 1967-68 of $541 per pupil in average daily membership. This expenditure level would have placed Oklahoma in a favorable and competitive position with other states in the Southwest Region, and the nation as a whole.

Conclusions

There are fifty different plans for state-local support of public education in the United States. Each seeks to "fit" the special conditions existing or through to exist in the state. There is probably no single best plan for Oklahoma. The problem of this study was to develop a comprehensive state-local finance plan which would be in accord with generally approved principles, which would "fit" the needs and conditions of the State, which would be economically feasible, and which would have a reasonable chance of being enacted into law.

The plan which was developed in this study, and which has been presented in this report, satisfies these conditions fairly well. It has features which should merit the careful consideration of state groups and agencies seeking solutions for the financial problems facing public education in Oklahoma.

Characteristics of the proposed plan which recommend it for adoption include the following:

1. The "Ratio Factor" sets the number of teaching units allowed for state shared support. This, in effect, reduces or removes the incentive for districts to operate

large classes or to reduce non-teaching positions to an undesirable minimum.

2. Weightings for vocational programs and special education classes, and allowances for transportation, all within the foundation program encourage, and in the less wealthy districts, make possible the provision of these services at reasonable levels.

3. The procedure for making the amount of the foundation program responsive to the qualifications and experience of the professional staff encourages all districts to employ teachers of high quality and reduces or removes the incentive to employ teachers with minimum levels of preparation and experience.

4. Reasonable consideration is given the special needs of small school districts. Although authorities are in general agreement that school districts enrolling fewer than 1500 pupils should be reorganized into large districts except in areas where population sparsity or other conditions make exceptions necessary, the fact remains that Oklahoma has not come to grips with the basic problems involved and is likely to remain a small district state for some time to come. If small schools are to be permitted to operate as administrative units, they must be assured sufficient support to guarantee that the children who attend them will not be educationally deprived. Although this proposed plan gives needed consideration to the problems of the small school, it can be readily adapted to a large district, or county unit pattern of organization.

5. The plan recognizes the special needs of schools in metropolitan areas through the provision of additional aid for school districts enrolling 50,000 or more pupils.

6. The plan is relatively simple. The amount of foundation and incentive aid can be objectively and readily calculated for any district. Each key variable in the formulas has an easily identifiable function, and the effects of changing any of the variables can be readily determined.

7. It satisfies the principle of equitable treatment of tax payers, assuming that assessed valuations are equalized.

8. The plan has a reasonable degree of flexibility. It can be adapted to a variety of changed conditions without radically changing its structure.

9. The plan allows school districts the necessary degree of local control to enable them to meet the different educational needs of their respective communities. The formula does not dictate the number of teachers to be employed, the special programs or services to be provided, or the salary schedule to be used. It does provide encouragement and opportunity for all districts to maintain reasonable class size, to employ necessary non-teaching personnel, to develop adequate salary schedules, and to provide needed programs and services. There is reason to believe that this kind of state stimulation is wholesome and is in keeping with the State's responsibility for guaranteeing equal educational opportunity for all of its children.

10. It provides through the incentive component the incentive and opportunity for all districts to finance educational opportunity beyond the foundation program level.

11. The plan places the focus of state support on service to the child rather than on teachers' salaries. The unit of need is the classroom unit, with the number of classroom units determined by the application of the Ratio Factor to the total weighted pupil units in the district. The cost of the basic foundation program is expressed in dollars per classroom unit allowed. The level of support per classroom unit, as tested, is sufficient to finance an adequate program including salaries, operational and maintenance expenses, and other necessary costs. This level may be readily adjusted to satisfy changing conditions.

12. The plan provides a procedure for including kindergarten in the program. Nursery school, post-high school or community college, and/or adult programs can be included in the basic program through similar procedures.

13. The plan recognizes and is responsive to the needs of local districts for supplementary sources of support for capital expenditures through provisions for school building and capital expenditures, and recommends that state regulations and controls be instituted to assure that school buildings would be constructed only when and where fully justified.

Recommendations

The following recommendations are made as a result of this study:

1. Remove the present limitations on the total levy allowed for the operation of the public schools, so that the school district board could levy a reasonable millage above the foundation income level, and the school district electors could authorize an unlimited number of additional mills.

2. Amend the constitution to permit the legislature to determine the number of mills that shall be counted as foundation program income, and to permit the levy to be made on a county wide rather than school district basis.

3. The constitutional provision that school land earnings be distributed to school districts on the basis of enumeration of pupils should be changed to allow the allocation of these revenues on an ADM basis.

4. Homestead exemption should be modified or repealed. The exemption of one-half of the first $2,000 of valuation on homesteads would be a step in the right direction.

5. If the plan as tested fails for any reason to fit current or projected needs of the State, the plan should be tested further, using alternate values for key variables.

6. The Oklahoma Legislature should establish and finance a commission to develop a state-local plan for financing elementary and secondary education in the State which would satisfy current educational needs and which would be

economically feasible; and should implement the plan developed at the earliest date possible. This should be an interim commission, serving until such time as the State Department of Education can assume full responsibility for conducting studies and developing plans for all phases of public education.

7. The State Department of Education should be recognized as the appropriate agency to conduct continuing studies, and to develop programs concerning all phases of public education, including finance, and should be given adequate appropriations so that it can perform these functions.

Suggestions for Further Study

1. Studies should be conducted to determine the effect of the various federal programs on the operation of the public schools, and to formulate plans for integrating federal, state and local support of education.

2. The problem of school district organization as it relates to public school support should be thoroughly investigated.

3. An analytical study of the costs of providing pupil transportation in the State should be made, and the findings should be used in revising the levels of support of transportation within the State's foundation program.

4. Detailed studies should be conducted to determine the best methods and procedures for equalizing property assessments in Oklahoma between and within counties.

5. Studies should be made to explore the advisability of establishing regional educational centers which would improve and extend educational programs and services for the children of the State.

6. There should be continuous evaluation and study of the state-local support programs for the financing of public education in Oklahoma.

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APPENDIX A

Statistical and Financial Data for Sample School District

STATISTICAL AND FINANCIAL DATA FOR SAMPLE SCHOOL DISTRICT: 1967-68[1]

1. District ADA, 1967-68:
   A. First Grade 278
   B. Grades 1-12 2,489
2. County ADA, 1967-68:
   A. First Grade 380
   B. Grades 1-12 3,359
3. Number of Vocational Teachers, 1967-68: 1.5.
4. Enrollment in Special Education Classes, 1967-68:
   A. Full Time Classes, 14
   B. Speech Correction Classes, 155
5. Net Valuation of County, 1967-68: $30,118,321.
6. Net Valuation of District, 1967-68: $15,671,792.
7. District Tax Levies, 1967-68:
   A. Emergency Levy 5 mills
   B. Local Support Levy 10 mills
8. Transportation Aid, 1967-68: $17,700.
9. Degrees and Years of Experience of Professional Personnel Employed, 1967-68.

Years Experience	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals
Doctors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Masters	1	0	0	1	1	2	0	1	2	1	1	1	2	1	3	19	36
Bachelors	11.54	7.46	7	4	3	2	2.24	1	2.38	0	0	1	3	1	2	23	70.63
Totals	12.54	7.46	7	5	4	4	2.24	2	4.38	1	1	2	5	2	5	42	106.63

[1]Data secured from records on file in the Finance Division of the Oklahoma State Department of Education.

APPENDIX B

Table of District Ratio Factors

TABLE OF DISTRICT RATIO FACTORS

District WADM	Ratio Factor	District WADM	Ratio Factor
0 - 520	20.0	1021 - 1040	22.6
521 - 540	20.1	1041 - 1060	22.7
541 - 560	20.2	1061 - 1080	22.8
561 - 580	20.3	1081 - 1100	22.9
581 - 600	20.4	1101 - 1120	23.0
601 - 620	20.5	1121 - 1140	23.1
621 - 640	20.6	1141 - 1160	23.2
641 - 660	20.7	1161 - 1180	23.3
661 - 680	20.8	1181 - 1200	23.4
681 - 700	20.9	1201 - 1220	23.5
701 - 720	21.0	1221 - 1240	23.6
721 - 740	21.1	1241 - 1260	23.7
741 - 760	21.2	1261 - 1280	23.8
761 - 780	21.3	1281 - 1300	23.9
781 - 800	21.4	1301 - 1320	24.0
801 - 820	21.5	1321 - 1340	24.1
821 - 840	21.6	1341 - 1360	24.2
841 - 860	21.7	1361 - 1380	24.3
861 - 880	21.8	1381 - 1400	24.4
881 - 900	21.9	1401 - 1420	24.5
901 - 920	22.0	1421 - 1440	24.6
921 - 940	22.1	1441 - 1460	24.7
941 - 960	22.2	1461 - 1480	24.8
961 - 980	22.3	1481 - 1500	24.9
981 - 1000	22.4	1501 and up	25.0
1001 - 1020	22.5		

APPENDIX C

Calculation of Preparation and Experience Steps for Sample School District, 1967-68

CALCULATION OF PREPARATION AND EXPERIENCE STEPS
FOR SAMPLE SCHOOL DISTRICT, 1967-68

Number of Teachers Employed, 1967-68					
Qualifications-Degrees			Total Employed "N"	Years Experience	Experience Steps Col. "4" X Col. "5"
Doctors Degree	Masters Degree	Bachelors Degree			
(1)	(2)	(3)	(4)	(5)	(6)
0	1	11.539	12.539	0	0.000
0	0	7.461	7.461	1	7.461
0	0	7.000	7.000	2	14.000
0	1	4.000	5.000	3	15.000
0	1	3.000	4.000	4	16.000
0	2	2.000	4.000	5	20.000
0	0	2.244	2.244	6	13.464
0	1	1.000	2.000	7	14.000
0	2	2.383	4.383	8	35.064
0	1	0.000	1.000	9	9.000
0	1	0.000	1.000	10	10.000
0	1	1.000	2.000	11	22.000
0	2	3.000	5.000	12	372.000
0	1	1.000	2.000	13	13.000
0	3	2.000	5.000	14	42.000
0	19	23.000	42.000	15	285.000
Totals: 0	36	70.627	106.672	--	887.989

CALCULATION OF PREPARATION OF EXPERIENCE STEPS FOR SAMPLE SCHOOL DISTRICT, 1967-68, Continued

Calculation of Preparation Steps

Formula: (MN X 3) + (ND X 6) = PS

$$\left(\frac{36}{\text{Col. "2" Above}} \times 3\right) + \left(\frac{0}{\text{Col. "1" Above}} \times 6\right) = 108$$

Experience Steps = Total of Column "6" Above = 887.989

Calculation of Average Steps

Formula: (PS + ES)* ÷ N** = AS

$$\left(\frac{108.000}{PS} + \frac{887.989}{ES}\right) \div \frac{106.672}{N} = \frac{9.34}{AS}$$

*Calculated using 12 as maximum number of years of experience for teachers with Bachelors Degrees, and 15 as maximum number of years of experience of teachers with Master's and Doctor's Degrees.

**Number of certified employees, 1967-68. (Column "4" above)